APPENDIX.

APPENDIX

TO THE

CONGRESSIONAL RECORD.

Railroad Rate Bill.

SPEECH

OF

HON. JAMES A. HUGHES,

OF WEST VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, February 7, 1906,

On the bill (H. R. 15650) to amend section 1 of an act entitled "An act to regulate commerce," approved February 4, 1887, and all acts amendatory thereof.

Mr. HUGHES said:

Mr. CHAIRMAN: I gave my hearty support to the Hepburn bill because I regarded it as affording a remedy for an existing evil. It does accomplish this in so far as the question of discrimination between shippers in the matter of rates is concerned. But, in my judgment, the provisions of the bill are not sufficiently specific to properly guard against discrimination between shippers in the matter of furnishing facilities for transportation. There is no difference in principle between the two classes of discrimination. We are not so much concerned in West Virginia over the question of rates as we are over the question of an opportunity of getting our products to the market. It is not of so much importance to us whether the rate is higher or lower, so long as the same rate is given to all. If it is too high the burden falls on the consumer; if too low, on the railroads. But if we are not given adequate facilities for transporting our output, then the burden falls, and very heavily, upon the whole State. Statistics show that the capacity of the West Virginia coal mines now open, developed and ready for operation, is 70,000,000 tons per annum, and that the railroads only furnish cars enough for the transportation of 32,000,000 tons per annum. In other words, we could market more than twice as much coal as we do now if the railroads would furnish the proper transportation facilities. If they were unable to do this that would be another matter, but this is not the case. We now have four great trunk lines crossing the State from east to west. Each of these lines has the highest grade of credit and they could easily arrange to promptly transport our entire product if they would. But they are dealers in coal themselves, and are therefore interested in curtailing the output of independent operating companies. As illustrative of the conditions existing in some portions of that State, I desire to have inserted in the RECORD, as a part of my remarks, a communication which I have received from the Federal Coal and Coke Company, of Fairmont, W. Va.:

FAIRMONT, W. VA., *February 20, 1906.*

Hon. JAMES A. HUGHES,
House of Representatives, Washington, D. C.

DEAR SIR: As independent miners and shippers of the Fairmont region, of West Virginia, we desire to acknowledge, with very grateful appreciation, the potent thought that has been inspired and is already in motion for the relief of many oppressed shippers.

We confine our remarks to the specific and desperate hardship of the independent miners and shippers of this territory, which, if continued much longer, will tend to make anarchists of many of the best citizens of this fair land. The facts are that the Baltimore and Ohio Railroad officials have for a long time held stock in the Fairmont Coal Company, but a few years ago acquired 51 per cent of the stock of that company.

The Fairmont Coal Company is a large combination, operating fifty or sixty coal mines in this district, and, owing to its intimate relations with the railroad officials, the condition of the independent operators has become well-nigh insufferable.

Many of the independent operators have been forced to sell out, and many more are on the ragged edge of a miserable dilemma, hanging on to property so handicapped that it can not be sold.

In reply to complaints and pleadings the Baltimore and Ohio officials take the position that available equipment is equitably distributed on a percentage basis. This percentage is arrived at by their own methods; they rate our capacity by the cars we ship. How can we ship if we do not get cars?

It is a fact, nevertheless, that the Fairmont Coal Company's mines run fairly full always—their annual statements show marvelous profits, while the independent operators, many of them with very eligible up-to-date plants, have during the same years made serious losses, sadly impaired their capital, and contracted ruinous debt.

Take, for example, our own enterprise upon the Paw Paw branch of the Baltimore and Ohio, 8 miles from Fairmont, in the cream of the coal region. The investment, a million and a half dollars, made in all good faith, by most reputable personnel, and with the encouragement years ago of the railroad company, the owners have been made to suffer a loss during the last three years of a half a million dollars. Had this operation been undertaken with what would have seemed a reasonable capital—say, $350,000, and no more behind it—the unfair practices of the railroad officials would have before now totally used us up.

When coal was selling in February, 1902, at $4 per ton, owing to the anthracite railroads' coercive measures, the Baltimore and Ohio Railroad authorities only permitted to be put in to the Federal mines for the entire month twenty-two cars (less than one car per day), while the Fairmont Coal Company was shipping more than 400 cars daily.

The Federal property has never been supplied with an average of more than four to six cars daily, making an output of 200 tons per day, though equipped at a cost of nearly a half million dollars for an output of 2,000 tons in ten hours. Cars have been demanded and begged for without avail.

The railroad company by many devices furnish their own coal company with equipment to take care of most of its capacity output—private cars, fuel cars, Monongahela division cars, and miscellaneous cars.

The Fairmont Coal Company's annual reports corroborate the activity of their mines in tonnage and profits.

Railroad charters carry with them so many valuable privileges, as you know, and which their tremendously increasing wealth and power, legitimate and illegitimate, manifest, why should they also be permitted to enter into the producing fields as miners and shippers? No independent operations along the line can meet such competition. For instance, in May, 1904, the Baltimore and Ohio put a rate in force for four days, reduced by 70 cents per ton to a point near Chicago, simply to give the Fairmont Coal Company a clandestine preference to secure a thousand tons per day order on a year's contract from the Wisconsin Central Railroad, and then canceled the rate; but meantime the Fairmont Coal Company had secured the order and shipped for one year for this account about 1,000 tons daily on the rate reduced from $1.90 to $1.20 per ton. This is only one of the many cases equally outrageous and palpably wrong.

Baltimore and Ohio officials high in authority have asked if these "Paw Paw" outfits were not sufficiently ripe to be purchased cheap, and it has been the common talk among local officials for two years that it is a game of "freeze out," and, faith, they will fetch us if there is no rescue.

The point this communication seeks to make is that the railroad carriers should not also be permitted to be producers, traders, and merchants along their lines.

The railway averages to get from independent shippers more than three-fifths of the selling price at destination for freight; the producer less than two-fifths for the coal. Why can they not be satisfied with such division? The stockholders of the road probably would be, but there is an attractive side, a sugar-coated side, to the high officials which can not well be withstood, unless it can be corrected by some power greater than the railway officials.

If the railroads and officers of the railroads could be made to keep their hands off, neither directly nor indirectly allowed any share in private enterprises along their lines, that would be a great relief and assurance to business people generally along all lines of railroads throughout the country.

It is the most momentous subject Congress can have to deal with if the freedom of the people and legitimate opportunity for our sons is to be continued in this country.

Transportation touches every man, woman, and child in the land. By railroad squeeze and favor some have already been enslaved, some abnormally enriched, and all affected.

Since writing the above Second Vice-President Bond, of the Baltimore and Ohio Railroad, in reply to the Red Rock Fuel Company, stated to the Senate, through Mr. RAYNER, that for many years the Baltimore and Ohio Railroad had owned the controlling interest in the Consolidation Coal Company; and he further added that through the Consolidation Coal Company the Baltimore and Ohio Railroad had acquired, in 1903, a bare majority of the stock of the Fairmont Coal Company.

What more could Mr. Bond have said to conclusively show the Baltimore and Ohio Railroad to be both carriers and producers, which the Supreme Court decision rendered by Justice White on the 19th declared should not be permitted.

The most dangerous avenue through which autocratic power arises is through railroad magnates' manipulations. Adjust this power effectually, and the obnoxious and unfair influences of combinations would be so minimized as to be tolerable.

Yours, very respectfully,

FEDERAL COAL AND COKE CO.
J. L. LEWIS, *Secretary.*

This is only one of a number of complaints of the same general character that have reached me, and which show that independent miners and shippers are seriously embarrassed and subjected to great loss as a result of the manner in which these trunk lines are now conducting their business. They refuse to furnish the number of cars needed. They refuse to put in

switches or allow connections with their lines, notwithstanding the fact that there are people interested in the development of the State's resources who are willing to build branch and lateral lines for that purpose.

I do not wish to be understood as desiring to antagonize these railroads. They have developed the resources of West Virginia and have done more than any other agency toward placing the State in its present prosperous condition. But the Government has granted these corporations valuable franchises and it affords them ample protection for all of their property interests. Moreover, they are engaged in the operation of a public utility. They therefore owe in return a duty to the Government—the whole people—which is violated whenever they give to one shipper privileges that they deny to another. All that I contend for is that they should be required to give all shippers equal opportunities for reaching the market with their products. I would have offered an amendment to the Hepburn bill covering these points when it was pending in the House, but that was a compromise measure. It had been agreed upon by both the majority and the minority of the committee, and it was generally understood that no amendments to it would be adopted and I did not deem it wise to offer the amendment when it was confronted with the certainty of defeat. I preferred to bring it to the attention of the House in the shape of a separate bill, which I have done. This bill has been framed along the lines of the amendments which were so earnestly urged, but without success, by the distinguished Senator from West Virginia [Mr. ELKINS] when the Hepburn bill was under consideration by the Senate committee. It requires nothing of these railroads that they are not amply able to do, and nothing but what in justice to the shippers they ought to do. Moreover, it provides that they shall have reasonable notice of these requirements. Unless some such legislation as this is enacted the State of West Virginia will receive very little, if any, substantial benefit as a result of all of this talk and legislating upon the rate question.

Although my bill does not go into the question, I am very decidedly of the opinion that railroads ought not to be permitted to engage in any business other than transportation of freight and passengers, and especially that they ought not to be permitted to sell coal in competition with miners and shippers. In other words, they ought not to be both carriers and producers. So long as they are there will continue to be more or less trouble over this question, and there will be those who will accuse them of discrimination in the matter of affording facilities for transportation, however impartial they may be. The Supreme Court of the United States only a few days ago delivered an opinion bearing upon this question which will be of great interest to the people of West Virginia, and I therefore ask that it be inserted in the RECORD as a part of my remarks.

The opinion referred to is as follows:

[Supreme Court of the United States. Nos. 24 and 27.—October term, 1905. New York, New Haven and Hartford Railroad Company, appellant, *v.* The Interstate Commerce Commission. The Interstate Commerce Commission, appellant, *v.* The Chesapeake and Ohio Railway Company and the New York, New Haven and Hartford Railroad Company. Appeals from the circuit court of the United States for the western district of Virginia. February 19, 1906.]

Mr. Justice White delivered the opinion of the court.

Following an inquiry, begun in consequence of a complaint to it made, the Interstate Commerce Commission, through the Attorney-General of the United States, filed under the act to further regulate commerce (32 Stat., 847) in the circuit court of the United States for the western district of Virginia, this proceeding against the Chesapeake and Ohio Railway Company, a Virginia corporation, and the New York, New Haven and Hartford Railroad Company, a corporation of the State of Connecticut. In this opinion we shall hereafter respectively speak of the parties as the Commission, the Chesapeake and Ohio, and the New Haven. The petition averred that the Chesapeake and Ohio was engaged in the carriage of coal as interstate traffic between the Kanawha district of West Virginia and Newport News, Va., for delivery thence to the New Haven, in Connecticut, and charged that the traffic was being moved at less than the published rates, and in such a way as to produce a discrimination in favor of the New Haven road and against others, all in violation of the act to regulate commerce and the amendments thereto. Specifying the grounds of the complaint, it was alleged that in the spring of 1893 the Chesapeake and Ohio made a verbal agreement with the New Haven to sell to that road 60,000 tons of coal, to be carried from the Kanawha district to Newport News, and thence by water to Connecticut, for delivery to the buyer at $2.75 per ton, and that a considerable portion had already been delivered and the remainder was in process of delivery. It was averred that the price of the coal at the mines where the Chesapeake and Ohio bought it and the cost of transportation from Newport News to Connecticut would aggregate $2.47 per ton, thus leaving to the Chesapeake and Ohio only about 28 cents a ton for carrying the coal from the Kanawha district to Newport News, whilst the published tariff for like carriage from the same district was $1.45 per ton.

Referring to the developments before the Commission, and annexing as part the testimony taken on such hearing and the documents connected therewith, the petition further alleged that the Chesapeake and Ohio asserted that, although the total price which it received for the coal covered by the verbal agreement was less than the total outlay in delivering the coal, including its published rates, such fact did not amount to a departure from the published rates and was not a discrimination, for two reasons: First, because if such difference existed, it was a loss suffered by the Chesapeake and Ohio not from taking less than its published rates, but because it had received less as purchaser than the coal had cost; second, that even if it had not the lawful right thus to impute the payment of the price of the coal, the Chesapeake and Ohio had, in fact, received much more for the coal than the price in money agreed on, because at the time the verbal agreement to sell was made the New Haven had a claim exceeding $100,000 against the Chesapeake and Ohio arising from a previous written contract to deliver coal, which was to be extinguished by the completion of the delivery of the coal, and this caused that price largely to exceed the cost of the coal to the Chesapeake and Ohio, including its published rates. Averring that the prior contract was in itself void because it also embodied an agreement to take less than the published rates and was discriminating, it was charged that the New Haven had entered into both agreements with the Chesapeake and Ohio knowing that they were in violation of the interstate-commerce law. The prayer was that the Chesapeake and Ohio and the New Haven be made parties; that both roads be enjoined, the one from further executing the verbal agreement to deliver coal and the other from seeking to enforce it; that the Chesapeake and Ohio be enjoined from "accepting or receiving any rebate, concession, or discrimination in respect of the transportation of any property in interstate or foreign commerce carried by it" and be, moreover, enjoined from "doing anything whatever whereby coal or any other property shall, by any device whatever, be transported * * * at a less rate than named in the tariffs published and filed by such carrier, as is required by the act to regulate commerce, and acts amendatory thereof or supplementary thereto, or whereby any other advantage may be given or discrimination practiced," and that the New Haven road "be enjoined and restrained from accepting or receiving any rebate, concession, or discrimination in respect of the transportation of any property in interstate or foreign commerce carried by it."

A preliminary restraining order was issued conforming to the prayer of the petition. The Chesapeake and Ohio by its answer admitted that it had made, in the spring of 1903, a verbal agreement with the New Haven road for about 60,000 tons of Kanawha coal for the price alleged in the petition, to be transported by it to Newport News, and thence delivered by ocean transportation to the New Haven in Connecticut. It was admitted that the purchase price agreed to be paid was less than the market price of the coal plus the published rates and the cost of transportation and delivery from Newport News to Connecticut, but it was averred that this was only apparently the case, because the contract to sell included the discharge of a debt of about $100,000, arising from the previous written contract to which the petition referred. The validity of both the previous written contract and the later verbal agreement was averred. The right of the Chesapeake and Ohio to buy and sell coal, and to impute any loss on the sale of the coal to itself as dealer instead of to itself as a carrier, was averred. Both the original contract and the one of 1903 were averred to have been made in good faith, not with any intention to avoid the published rates, and it was charged that at about the time the original contract was made arrangements had been made by the railroad for a rate of transportation from Newport News to Connecticut which would have caused the contract price to be adequate to pay the market price of the coal and all other charges, including the published rates, but that, subsequently thereto, the persons with whom this contract for transportation was made had violated their agreement, and that by strikes the price of coal had advanced, and thereby the loss of $100,000 to the Chesapeake and Ohio was occasioned.

The New Haven road in its answer asserted its good faith in making both the original contract and the verbal agreement. It alleged that by the original contract it was a mere purchaser of coal from the Chesapeake and Ohio, and not a shipper over that road; that the coal bought was intended for its own use in the operation of its railroad; that it had no knowledge of the price which the Chesapeake and Ohio would be obliged to pay for the coal or the sum which it would cost that road to deliver it, and therefore had no knowledge that the total cost would not equal the market price of the coal, the cost of delivery, and the published rate of the Chesapeake and Ohio. It averred the validity of the agreement, the legality of the debt of $100,000 which resulted from it, and charged that, taking that debt into consideration, the sum which it paid the Chesapeake and Ohio for the coal under the 1903 verbal agreement largely exceeded the market price and the cost of delivery, including the published rates of the Chesapeake and Ohio. It denied that there was any departure from the public rates or any discrimination, asserted that at the time the original contract was made the price was sufficient to have enabled the Chesapeake and Ohio to perform the contract without losing anything either as a seller or as a carrier, and that if in execution of the contract a condition arose where a loss was suffered by the Chesapeake and Ohio in either capacity it was caused by subsequent events which could not affect the validity of the contract when made, and especially denied that in any way, directly or indirectly, had it knowingly lent itself to any discrimination, or any taking by the Chesapeake and Ohio of less than its published rates.

The case was heard on the testimony taken in the proceeding before the Commission and the documents forming a part of the same and upon further documents and testimony stipulated by counsel.

For reasons to which we shall hereafter have occasion to advert, the court held that, considering both the original contract and the verbal agreement of 1903, there was no violation of the provisions of the second and sixth sections of the act to regulate commerce, forbidding the taking of less than the published rates. It, however, held that the contracts amounted to an undue discrimination and a violation of the third section of the act. The court hence permanently enjoined the Chesapeake and Ohio from discharging any obligation arising from the original contract of 1896 and from further executing or attempting to execute, in any manner whatever, directly or indirectly, the verbal agreement of 1903, and it permanently enjoined the New Haven from asserting or attempting to enforce any claim arising from the contract of 1896, or in any manner, directly or indirectly, attempting to enforce the verbal agreement of 1903. Thereafter the court denied a request made by the Commission, that the injunction be expanded so as in general terms to command the Chesapeake and Ohio perpetually to observe in the future its published rates.

The Chesapeake and Ohio and the New Haven appealed. The Commission also prosecuted a cross appeal because of the refusal of the court to grant its prayer to make the injunction against the Chesapeake and Ohio general in its nature.

It is apparent from the case as thus stated that, in order to decide the issues which arise, we may not confine our attention to the verbal agreement of 1903, the execution of which it was the immediate object of the proceeding to enjoin, but must consider the prior contract of 1896, since primarily the rights, if any, which arose under the verbal agreement are inextricably involved in and dependent upon the contract of 1896. In other words, the controversy as considered by the Commis-

sion on the inquiry by it conducted and as decided below, and as here presented, involves an analysis of all the dealings under both contracts and the legal rights, if any, which arose from them. We must, therefore, consider the subject in this aspect, and to do so we state at once the facts which are admitted or which are indisputably established, reserving such questions of fact as are in dispute for separate consideration when we approach the legal propositions which arise from the undisputed facts.

The Chesapeake and Ohio, chartered by the State of Virginia, operates a road which reaches both the New River and the Kanawha coal fields of West Virginia, and extends to Newport News. The New Haven, chartered by the State of Connecticut, operates a road principally situated in New England. On December 3, 1896, these two roads entered into a written contract, the one to sell and the other to buy between July 1, 1897, and July 1, 1902, not to exceed 2,000,000 gross tons of bituminous coal to be taken from the line of the Chesapeake and Ohio road, deliveries to be made not exceeding 400,000 tons per annum. The price agreed upon was $2.75 per gross ton, New Haven basis, settlement to be made monthly. The coal was to be delivered by the seller on the line of the New Haven. The contract is reproduced, as follows:

Contract made between the Chesapeake and Ohio Railway Company and the New York, New Haven and Hartford Railroad Company.

Said Chesapeake and Ohio Railway Company, for the consideration hereinafter mentioned, hereby agrees to furnish to said railroad company not to exceed 2,000,000 gross tons of bituminous coal from its line in such quantities monthly as wanted from July 1, 1897, to July 1, 1902, without charge for demurrage. Deliveries to be made not exceeding 400,000 tons per annum.

And said Chesapeake and Ohio Railway Company further agrees that all said bituminous coal shall be of the best quality, first class in every respect, and satisfactory to said railroad company, and said railway company has the right to terminate this contract at any time if said bituminous coal be of poor quality or if its delivery be unnecessarily delayed.

And said Chesapeake and Ohio Railway Company further agrees to deliver all said bituminous coal to said railroad company in its bins at such ports upon its lines as required by the monthly requisitions of its purchasing agent.

In consideration of the faithful performance by the said Chesapeake and Ohio Railway Company of all its agreements herein contained said railroad company agrees to pay for said bituminous coal at the rate of two and seventy-five one-hundredths dollars per gross ton, New Haven basis, settlement to be made monthly.

Said railway company has the right to cancel any and all portions of said quantity of bituminous coal remaining undelivered on July 1, 1902.

Witness the names of the parties hereto this the 3d day of December, 1896.

CHESAPEAKE AND OHIO RAILWAY COMPANY,
By M. E. INGALLS, *President.*
THE NEW YORK, NEW HAVEN AND HARTFORD RAILROAD COMPANY,
By C. E. MELLEN, *Second Vice-President.*

For value received, I hereby guarantee that the Chesapeake and Ohio Railway Company shall not fail to deliver coal on account of strikes.

J. PIERPONT MORGAN.

The Chesapeake and Ohio, not in its own name, but through others who really, although not ostensibly, acted for it, made a contract with operators in the New River district of West Virginia for the delivery to it of the coal to fulfill the contract which had been made with the New Haven. In consequence of failure of some of the operators to perform their part of the contract, changes were made at various times, which it is unnecessary to note. Deliveries of the coal were made to the New Haven as required up to the winter of 1900–1901, when, because of strikes and other difficulties, delivery ceased and the New Haven bought coal in the open market and presented to the Chesapeake and Ohio a bill for the increased price which it had paid, and the Chesapeake and Ohio paid $160,000 to cover such loss. Subsequently, in 1902, further strikes supervened and deliveries again ceased, at a time when about 60,000 tons remained yet to be delivered. The New Haven again presented a bill for damages amounting to $103,000. Thereupon the verbal agreement of 1903 was made, by which it was provided that the shortage of 60,000 tons upon the original contract might be discharged by delivery on the part of the Chesapeake and Ohio of that amount of coal from the Kanawha district at the contract price of $2.75, and when this delivery was consummated it was agreed that the Chesapeake and Ohio would be absolutely relieved from the payment of the damage claim just referred to.

At the time this verbal agreement was made the contract price was, leaving out of view the claim for damages, inadequate to pay the market price, as admitted by the pleadings, of the coal plus the published rates of the Chesapeake and Ohio to Newport News, and the charges thence to the point of delivery. To put itself in a position to carry out the agreement an individual who represented the Chesapeake and Ohio made contracts in his own name with operators in the Kanawha district to furnish the desired coal. Without stopping to state the particular methods of accounting by which the result was accomplished, it is indisputable that the Chesapeake and Ohio bore the loss arising from the difference between the contract price, the price of the coal at the mines, the published rate to Newport News, and the cost of transporting thence to the point of delivery.

Undoubtedly long prior to the making of the first contract the Chesapeake and Ohio, besides its business as a carrier, bought and sold coal. This business was carried on by the company from about 1874 up to the time of the making of the contract of 1896, as testified by the president who made that contract, as follows:

"The coal was handled by a separate and distinct department of the railway company, the mine operators delivering for an agreed price at the mines to the coal agent of the railway company all coal mined by them, the net result realized from the selling price of the coal representing the freight earned by the railway company."

And the same official testified that he made the contract of 1896 as a continuation of this system.

In 1895, however, the State of West Virginia passed "An act to prevent railroad companies from buying or selling coal or coke and to prevent discrimination." The first section of this act made it unlawful for any railroad corporation to engage directly or indirectly in the business of buying and selling coal or coke. In consequence of this act, prior to the making of the contract of 1896, the coal department of the railroad was abolished. And it was the existence of the West Virginia statute which caused the Chesapeake and Ohio, when it contracted with operators in West Virginia to procure as to both contracts the coal for delivery to the New Haven, to do so not in its own name but through another.

Before applying to these undisputed facts the legal question arising for decision, we must determine a question of fact as to which there is some dispute; that is, Was the price at which the Chesapeake and Ohio contracted in 1896 to sell the coal to the New Haven sufficient to pay the cost of the coal at mines, as well as the expense of delivery, including the published freight rate? Without stopping to go into the evidence, we content ourselves with saying that we think the court below correctly held that the price was not adequate to accomplish these purposes, and that from the inception of delivery under the contract and during the whole period thereof, except for a brief time, caused by a lowering of the freight rates, the contract price was inadequate to net the railroad its proper legal tariff.

We are brought then to determine whether the contract made in 1896 for the 2,000,000 tons of coal was void because in conflict with the act to regulate commerce and its amendments. In approaching the consideration of the act to regulate commerce we, for the moment, put out of view the provisions of the West Virginia statute and its influence upon the validity of the contract made in West Virginia for the purpose of acquiring the coal which the Chesapeake and Ohio had obligated itself to deliver. We shall also assume, for the purpose of the inquiry, that the Chesapeake and Ohio, although not expressly authorized, was not prohibited by its Virginia charter from buying and selling and transporting the coal in which it dealt. The case, therefore, will be considered solely in the light of the operation and effect of the provisions of the act to regulate commerce, and we shall not direct our attention to expressly determining whether the assertion by a carrier of a right to deal in the products which it transports would not be so repugnant to the general duty resting on the carrier as to cause the exertion of the power to deal in the products which it transports to be unlawful, irrespective of statutory restrictions.

The question, therefore, to be decided is this: Has a carrier engaged in interstate commerce the power to contract to sell and transport in completion of the contract the commodity sold when the price stipulated in the contract does not pay the cost of purchase, the cost of delivery, and the published freight rates?

The previous decisions of this court concerning the interstate-commerce act do not afford much aid in determining this question. This is the case because, although that act was adopted in 1887, and questions concerning the import of the act have been often here, such questions have not generally involved the operation and effect of the act concerning the command that published rates be adhered to, and the prohibitions against discrimination, favoritism, or rebates, but have mainly concerned the meaning of the act in other respects; that is, involved deciding whether powers asserted as to other subjects were vested by the act in the Interstate Commerce Commission.

There are several leading cases decided by the Commission, which are relied upon by the two railroads, directly relating to the question we have stated, but, as we shall have occasion hereafter to weigh their import, we shall not now pause to analyze and apply them.

It can not be challenged that the great purpose of the act to regulate commerce, whilst seeking to prevent unjust and unreasonable rates, was to secure equality of rates as to all and to destroy favoritism, these last being accomplished by requiring the publication of tariffs and by prohibiting secret departures from such tariffs, and forbidding rebates, preferences, and all other forms of undue discrimination. To this extent and for these purposes the statute was remedial and is, therefore, entitled to receive that interpretation which reasonably accomplishes the great public purpose which it was enacted to subserve. That a carrier engaged in interstate commerce becomes subject as to such commerce to the commands of the statute, and may not set its provisions at naught whatever otherwise may be its power when carrying on commerce not interstate in character, can not in reason be denied. Now, in view of the positive command of the second section of the act, that no departure from the published rate shall be made, "directly or indirectly," how can it in reason be held that a carrier may take itself from out the statute in every case by simply electing to be a dealer and transport a commodity in that character? For, of course, if a carrier has a right to disregard the published rates by resorting to a particular form of dealing, it must follow that there is no obligation on the part of a carrier to adhere to the rates, because doing so is merely voluntary.

The all-embracing prohibition against either directly or indirectly charging less than the published rates shows that the purpose of the statute was to make the prohibition applicable to every method of dealing by a carrier by which the forbidden result could be brought about. If the public purpose which the statute was intended to accomplish be borne in mind, its meaning becomes, if possible, clearer. What was that purpose? It was to compel the carrier as a public agent to give equal treatment to all. Now, if by the mere fact of purchasing and selling merchandise to be transported a carrier is endowed with the power of disregarding the published rate, it becomes apparent that the carrier possesses the right to treat the owners of like commodities by entirely different rules. That is to say, the existence of such a power in its essence would enable a carrier, if it chose to do so, to select the favored persons from whom he would buy and the favored persons to whom he would sell, thus giving such persons an advantage over every other, and leading to a monopolization in the hands of such persons of all the products as to which the carrier chose to deal. Indeed, the inevitable result of the possession of such a right by a carrier would be to enable it, if it chose to exercise the power, to concentrate in its own hands the products which were held for shipment along its line, and to make it, therefore, the sole purchaser thereof and the sole seller at the place where the products were to be marketed; in other words, to create an absolute monopoly. To illustrate: If a carrier may by becoming a dealer buy property for transportation to a market and eliminate the cost of transportation to such market, a faculty possessed by no other owner of the commodity, it must result that the carrier would be in a position where no other person could ship the commodity on equal terms with the carrier in its capacity of dealer. No other person owning the commodity being thus able to ship on equal terms, it would result that the owners of such commodity would not be able to ship, but would be compelled to sell to the carrier. And as by the departure from the traiff rates the person to whom the carrier might elect to sell would be able to buy at a price less than any other person could sell for, it would follow that such person so selected by the carrier would have a monopoly in the market to which the goods were transported. And that the result arising from an admission of the asserted power of the carrier as a dealer to disregard the published rates conduces immediately and not merely remotely to the production of the injurious results stated is not only demonstrated by the very nature of things, but is established to be the case by the facts indisputably shown

on this record. For here it is unquestioned that the Chesapeake and Ohio, as a result of its being a dealer, had become, long prior to the adoption of the interstate-commerce law, and continued to be thereafter, up to the passage of the West Virginia statute prohibiting a carrier from dealing in coal, virtually the sole purchaser and seller of all the coal produced along the line of its road.

That the result was not merely accidental, but was in effect engendered by the power of the carrier to deal and transport a commodity, is illustrated by the case of the Attorney-General *v.* The Great Northern Railway Company (29 Law Journal [N. S. Equity], 794). In that case Vice-Chancellor Kindersley was called upon to determine whether dealing in coal by the railway company was illegal, because incompatible with its duties as a public carrier and calculated to inflict an injury upon the public. In deciding that the act of Parliament granting the charter to operate the railway implied a prohibition against the company's engaging in any other business the reason for the rule was thus expressed (p. 798):

"* * * These large companies, joint stock companies generally, for whatever purpose established, and more particularly railway companies, are armed with powers of raising and possessing large sums of money—large amounts of property—and if they were to apply that money, or that property, to purposes other than those for which they were constituted, they might very much injure the interests of the public in various ways."

Illustrating the danger to the public, as established by the case before him, the vice-chancellor said (p. 792):

"Here we find this company, having the traffic from the north of England, where the great coal fields are (at least some of the principal coal fields), supplying the country with coal, or capable of supplying it; this company buys the coal, which gives to the company an interest in checking, as much as possible, those who will not deal with them; and it is quite clear that it is possible, by the mode in which this company may, I will not say has, but by the mode in which this company may exercise such powers as either it has or assumes to have, this company may get into their hands the traffic—that is, the dealing in all the coal in the large districts supplying coal to the country. They have to a considerable extent done so, and there is no reason why it should not go on progressing. I observe that in the eight (?) years from 1852 to 1857, inclusive, the amount of their coal business has increased from 73,000 tons to 794,000 tons; and there is no reason, as the affidavits show, why they should not—there is great danger that they may—get into their hands the entire business in the coal of all that district of the country. If they can do so with regard to coal what is to prevent their doing it with every species of agricultural produce all along the line? Why should they not become purchasers of corn, of all kinds of beasts, and of sheep, and every species of agricultural produce, and become great dealers in the supply of edibles to the markets of London; and why not every other species of commodity that is produced in every part of the country from which or to which their railway runs? I do not know where it is to stop, if the argument on the part of the company is to prevail. There is, therefore, great detriment to the interests of the public, for this reason, taking merely the article of coal."

It is apparent that the construction of the statute which is now claimed by the carriers would, if adopted, not only destroy its entire remedial efficacy, but would cause the provisions of the statute to accentuate and multiply the very wrongs which it was enacted to prevent.

Without a statutory requirement as to publication of rates and the imposition of a duty to adhere to the rates as published, individual action of the shippers as between themselves and in their dealings with the carrier would have full play, and thereby every shipper would have the opportunity to procure such concessions as might result from favoritism or other causes. Interpreting the prohibitions of the statute as it is contended they should be, it would follow that every individual would be bound by the published tariff, and the carrier alone would be free to disregard it. Thus the statute, while subjecting the public to the prohibitions, would exempt the carrier and would thereby enormously increase the opportunities of the latter to do the wrongs which the statute was enacted to prevent.

And the considerations previously stated serve also to demonstrate that the prohibitions of the act to regulate commerce concerning "undue or unreasonable preference or advantage," "undue or unreasonable prejudice or disadvantage," and "unjust discrimination" are in conflict with the asserted right of a carrier to become a dealer in commodities which it transports, and as such dealer to sell at a price less than the cost and the published rates. Certain also is it, when the reasons previously stated are applied to those prohibitions of the statute, the possession of the power by a carrier to deal in merchandise and to sell and transport at less than prohibited rates would not only destroy the remedy intended to be afforded by the provisions in question, but would cause the statute to fructify the growth of the wrongs which it was intended to extirpate. In a general sense the considerations which we have previously stated, moreover, dispose of all the contentions urged at bar to establish the right of the carrier to become a dealer under the circumstances stated. Even although it may give rise to some repetition, we more particularly notice the various contentions.

(*a*) It is said that when a carrier sells an article which it has purchased and transports that article for delivery it is both a dealer and a carrier. When, therefore, the price received for the commodity is adequate to pay the published freight rate and something over, the command of the statute as to adherence to the published rates is complied with, because the price will be imputed to the freight rate, and the loss, if any, attributed to the company in its capacity as dealer and not as a carrier. This simply asserts the proposition which we have disposed of—that a carrier possesses the power, by the form in which he deals, to render the prohibitions of the act ineffective, since it implies the right of a carrier to shut off inquiry as to the real result of a particular transaction on the published rates, and thereby to obtain the power of disregarding the prohibitions of the statute.

(*b*) It is said that, as in the case in hand, it is shown that there was no intention on the part of the carrier in making the sale of the coal to violate the prohibitions of the statute, and, on the contrary, as the proof shows an arrangement made by the carrier for transporting the coal from Newport News to Connecticut, which, if it had been carried out, would have provided for the full published rate, therefore an honest contract made by the carrier should not be stricken down because of things over which the carrier had no control. The proposition involves both an unfounded assumption of fact and an unwarranted implication of law. It is true the court below found that the proof did not justify the inference that the Chesapeake and Ohio had, in 1896, made the contract to sell the coal to the New Haven with the purpose of avoiding a compliance with the published rates. But in this conclusion of fact we can not agree. Whilst it may be that the proof establishes that the contract for the sale of coal was not made as a mere device for avoiding the operation of the statute, we think the proof leaves no doubt that, in making the contract in question, the Chesapeake and Ohio was wholly indifferent to and did not concern itself with the prohibitions of the statute, of which, of course, it must be assumed to have had full knowledge. As we have seen, the president of the Chesapeake and Ohio, by whom the corporation was represented in making the contract, expressly testified that from the beginning that corporation had pursued the policy of acquiring all the coal mined on its line and sold it, relying upon the net result of such sales for its freight compensation, and that the particular contract was made in continuation of that policy. We find it impossible to conclude, from the proof, that the Chesapeake and Ohio could have made a contract for so large an amount of coal, to be delivered over so long a period, without taking into view the existing prices and the cost necessarily to be occasioned by the delivery of the coal, if the full published freight rates were to be realized. Indeed, the proof leaves no doubt upon our minds that, in making the contract, the Chesapeake and Ohio sought to accomplish results which it deemed beneficial by means which it considered effectual, even although resort to such means was prohibited by the interstate-commerce act.

In other words, we think it is established beyond doubt that, desiring to stimulate the production of coal along its line and thereby, as it conceived, to increase the carriage of that commodity and to benefit the railroad and those living along its line by the reflex prosperity which it was deemed would arise from giving a stimulus to an industry tributary to the railroad, the Chesapeake and Ohio bought and sold the coal without reference to whether the net result to it would realize its published rates. And it would seem that this means of stimulating the industry in question was resorted to instead of attempting to bring about the same result by a lowering of the published rates, because to have so done would have engendered disparity between coal rates and the tariff on all the other articles contained in the same classification, and would besides have caused other and competing roads to make a similar reduction on the published rates, and thereby would have frustrated the very advantage to itself and those along its lines which the Chesapeake and Ohio deemed it was bringing about by the method pursued. That is to say, we think it is shown that the mode of dealing adopted was simply the result of a disregard by the Chesapeake and Ohio of the economic conceptions upon which the interstate-commerce law rests and a substitution in their stead of the conceptions of the Chesapeake and Ohio as to what was best for itself and for the public. Further, as the prohibition of the interstate-commerce act is ever operative, even if the facts established that at the particular time the contract was made, considering the then cost of coal and other proper items, the net published tariff of rates would have been realized by the Chesapeake and Ohio from the contract, which is not the case, it is apparent that the deliveries under the contract came under the prohibition of the statute whenever for any cause, such as the enhanced cost of the coal at the mines, an increase in the cost of the ocean carriage, etc., the gross sum realized was not sufficient to net the Chesapeake and Ohio its published tariff of rates. This must be the case in order to give vitality to the prohibitions of the interstate-commerce act against the acceptance at any time by a carrier of less than its published rates. We say this because we think it is obvious that such prohibitions would be rendered wholly ineffective by deciding that a carrier may avoid those prohibitions by making a contract for the sale of a commodity stipulating for the payment of a fixed price in the future, and thereby acquiring the power during the life of the contract to continue to execute it, although a violation of the act to regulate commerce might arise from doing so. Besides, all the contentions just noticed proceed upon the mistaken legal conception that the application of the statutory prohibitions depend not upon whether the effect of the acts done is to violate those prohibitions, but upon whether the carrier intended to violate the statute.

(*c*) It is urged that if the requirement of the act to regulate commerce as to the maintenance of published rates and the prohibitions of that act against undue preferences and discriminations be applied to a carrier when engaged in buying and selling a commodity which it transports, the substantial effect will be to prohibit the carrier from becoming a dealer when no such prohibition is expressed in the act to regulate commerce, and hence a prohibition will be implied which should only result from express act by Congress. Granting the premise, the deduction is unfounded. Because no express prohibition against a carrier who engages in interstate commerce becoming a dealer in commodities moving in such commerce is found in the act, it does not follow that the provisions which are expressed in that act should not be applied and be given their lawful effect. Even, therefore, if the result of applying the prohibitions as we have interpreted them will be practically to render it difficult, if not impossible, for a carrier to deal in commodities, this affords no ground for relieving us of the plain duty of enforcing the provisions of the statute as they exist. This conclusion follows, since the power of Congress to subject every carrier engaging in interstate commerce to the regulations which it has adopted is undoubted.

But it is, in effect, said, conceding this to be true as an original question, the prohibitions of the act ought not now to be interpreted as applying to a carrier who is a dealer in commodities, because of an administrative construction long since given to the act by the Interstate Commerce Commission, the body primarily charged with its enforcement, and which has become a rule of property affecting vast interests which should not be judicially departed from, especially as such construction, it is asserted, has been impliedly sanctioned by Congress by frequently amending the act without changing it in this particular.

Passing for the present the legal conclusion, let us first ascertain whether the premise itself is well founded. The two rulings of the Interstate Commerce Commission upon which the premise is based are Haddock *v.* Delaware, Lackawanna and Western Railroad Company (4 I. C. C. Rep., 296; 3 Inters. Com. Rep., 302) and Coxe Brothers & Co. *v.* Lehigh Valley Railroad Company (4 I. C. C. Rep., 535; 3 Inters. Com. Rep., 460), decided, respectively, in 1890 and 1891.

Without going into detail, we content ourselves with saying that in both of the cases complaints were made to the Interstate Commerce Commission concerning the defendant railroads, and it was charged that whilst acting as common carriers they were dealing in coal, and as a result violating the prohibition of the interstate-commerce act as to rates and undue preferences and discriminations. It was shown in both cases that the carriers prior to the adoption of the interstate-commerce act were authorized by their charters or legislative authority to carry on both the business of mining and selling the coal so mined and transporting the same to market. Indeed, it was found in both cases that the functions of producing and transporting as authorized

were so interblended that it was impossible to separate one from the other. Whilst it is true that in both of the cases it was also shown that the carriers bought, sold, and transported some coal which was not produced in the mines which they owned, this fact was evidently treated, in view of the other circumstances of the case, as of minor importance, since the commingled powers of producing, selling, and transporting were alone made the basis of the conclusion reached by the Commission as to the character of relief which could be afforded. Solely in view of the lawful power of the carriers to mine, sell, and transport existing before the passage of the act to regulate commerce, the Commission decided that its authority, under that statute and under the circumstances of the case, was confined to compelling the exaction of rates which were just and reasonable. The fact that the rulings in the two cases just referred to were solely placed upon the peculiar powers of the defendant corporations possessed by them prior to the passage of the interstate-commerce act was pointed out by the Commission in Grain Rates of Chicago Great Western Rwy. Co. (7 I. C. C. Rep., 33). In that case, in deciding that the defendant carrier was without power to purchase grain for the purpose of securing the right to transport it, and thus evade the law which would have applied to its transportation had it been owned by any other party, the Commission, in distinguishing the case before it from the Haddock and Coxe cases, said (p. 38):

"Those cases are in no respect similar to this. In both the common carrier was also the owner of extensive coal fields, and, indeed, it had become a common carrier largely for the purpose of transporting the product of those mines to market. This state of things existed before the passage of the act, and had no reference to the act. Unless the carrier was permitted to transport its coal, the result would be, in effect, the confiscation of its property, and to order it to charge itself with a particular rate would merely result in a matter of bookkeeping. Under these circumstances it was held that the only remedy was to inquire whether the rate charged the complainant was a reasonable one."

Now, without at all intimating that as an original question we would concur in the view expressed in the case last cited, that to have applied the act to regulate commerce, under proper rules and regulations for the segregation of the business of producing, selling, and transporting, as presented in the Haddock and Coxe cases, would have been confiscatory, and without reviewing the rulings made by the Interstate Commerce Commission in those cases and adhered to by that body during the many years which have followed those decisions, we concede that the interpretation given by the Commission in those cases to the act to regulate commerce is now binding, and as restricted to the precise conditions which were passed on in the cases referred to, must be applied to all strictly identical cases in the future, at least until Congress has legislated on the subject. We make this concession because we think we are constrained to so do, in consequence of the familiar rule that a construction made by the body charged with the enforcement of a statute, which construction has long obtained in practical execution, and has been impliedly sanctioned by the reenactment of the statute without alteration in the particulars construed, when not plainly erroneous, must be treated as read into the statute. Especially do we think this rule applicable to the case in hand, because of the nature and extent of the authority conferred on the Commission from the beginning concerning the prohibitions of the act as to rebates, favoritism, and discrimination of all kinds, and particularly in view of the repeated declarations of the court that an exertion of power by the Commission concerning such matters was entitled to great weight and was not lightly to be interfered with. The concessions thus made, however, are wholly irrelevant to the case before us. This follows, since the Chesapeake and Ohio was neither by its charter nor by legislative grant existing at the time of the adoption of the act to regulate commerce, possessed of the commingled attributes of carrier and producer, which was the controlling consideration in the decisions made in the Haddock and Coxe cases.

Concluding, therefore, that both the contracts made by the Chesapeake and Ohio with the New Haven were contrary to public policy and void because in conflict with the prohibitions of the act to regulate commerce, it obviously follows that such contracts were not susceptible of being enforced by the New Haven, and afforded no legal basis for a claim of the New Haven against the Chesapeake and Ohio, and therefore the court below was correct in so deciding.

This leaves only for consideration the question raised by the cross appeal of the Interstate Commerce Commission. That proposition is thus stated in the first of the assignments of error filed on behalf of the Commission:

"That the circuit court of the United States for the western district of Virginia, after finding that the claim of the New York, New Haven and Hartford Railroad Company against the Chesapeake and Ohio Railway Company for $103,910.69, asserted as damages arising from a partial nonperformance by said railway company of a contract of December 3, 1896, set out in the record, is, as to the whole of said claim and interest thereon, an illegal and unenforceable claim, and after finding that the verbal agreement between said companies, made in April, 1903, and set out in said record, whereby said railway company undertook to furnish to said railroad company 59,966 tons of coal, to be transported from West Virginia to Newport News, Va., over the lines of said railway company, and thence transported by vessels to certain New England ports, said coal to be delivered at said ports at the price of $2.75 per ton, New Haven basis, to be an invalid and illegal agreement; that said court merely enjoined and restrained the said Chesapeake and Ohio Railway Company, its officers, agents, and employees, from in any manner, direct or indirect, executing or performing, or attempting to execute or perform, either said contract of December 3, 1896, or said agreement of April, 1903, and from in any manner discharging or satisfying any obligation or seeming obligation arising from said agreements or either of them, or arising from any arrangement or agreement made in lieu of said agreements, or either of them; whereas said court should have further enjoined and restrained the Chesapeake and Ohio Railway Company from giving to said railroad company, or to any other person, firm, or company, any undue or unreasonable advantage or preference, and should further have restrained and enjoined the Chesapeake and Ohio Railway Company from transporting coal from one State to or through any other State for the New York, New Haven and Hartford Railroad Company, or for any firm, person, or company, at a less rate than the duly established freight rate of the said railway company in force at the time, and from further failing to observe its published tariffs, or from giving to the said New York, New Haven and Hartford Railroad Company, or to any person, firm, or company, in any manner whatsoever, any undue or unreasonable preference or advantage, and said decree, entered by the court on the 19th day of February, 1904, in addition to the provisions thereof, should have enjoined and restrained the New York, New Haven and Hartford Railroad Company and its officers and agents from seeking or accepting, in any manner, any direct or indirect rebate of the duly established freight rates of the Chesapeake and Ohio Railway Company on any interstate commerce, and from seeking or accepting in any manner from said railway company any undue or unreasonable preference or advantage."

The contention, therefore, is that whenever a carrier has been adjudged to have violated the act to regulate commerce in any particular it is the duty of the court not only to enjoin the carrier from further like violations of the act, but to command it in general terms not to violate the act in the future in any particular. In other words, the proposition is that by the effect of a judgment against a carrier concerning a specific violation of the act the carrier ceases to be under the protection of the law of the land, and must thereafter conduct all its business under the jeopardy of punishment for contempt for violating a general injunction. To state the proposition is, we think, to answer it. (Swift & Co. *v.* United States, 196 U. S., 375.) The contention that the cited case is inapposite because it did not concern the act to regulate commerce, but involved a violation of the antitrust act, we think is also answered by the mere statement of the proposition. The requirement of the act to regulate commerce that a court shall enforce an observance of the statute against a carrier who has been adjudged to have violated its provisions in no way gives countenance to the assumption that Congress intended that a court should issue an injunction of such a general character as would be violative of the most elementary principles of justice. The injunction which was granted in the case of In re Debs (154 U. S., 564) was not open to such an objection, as its terms were no broader than the conspiracy which it was the purpose of the proceeding to restrain. To accede to the doctrine relied upon would compel us, under the guise of protecting freedom of commerce, to announce a rule which would be destructive of the fundamental liberties of the citizen.

As the court below did not decide that the second and sixth sections of the act, relating to the maintenance of rates, had been violated, the injunction by it issued was not made as directly responsive to the commands of the statute on that subject as we think it should have been. We therefore conclude that the injunction below should be modified and enlarged by perpetually enjoining the Chesapeake and Ohio from taking less than the rates fixed in its published tariff of freight rates by means of dealing in the purchase and sale of coal. And as thus modified the decree below is affirmed.

True copy. Test:

Clerk Supreme Court, United States.

Mr. HUGHES. I shall not take the time of the House for a further discussion of these questions at this time, but when the committee reports this bill I shall ask the indulgence of the House for a more detailed discussion of its merits.

The Statehood Bill.

SPEECH

OF

HON. EDWARD S. MINOR,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Friday, January 26, 1906,

On the bill (H. R. 12707) to enable the people of Oklahoma and of the Indian Territory to form a constitution and State government and be admitted into the Union on an equal footing with the original States, and to enable the people of New Mexico and of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States.

Mr. MINOR said:

Mr. CHAIRMAN: It is not my purpose to add generalities to the discussion of this question, but in my remarks to give the House the results of personal observations and the testimony which came to me during my visit to that section of our country which the pending bill proposes to create into a State.

It was my good fortune prior to the convening of Congress to make an extended trip through Arizona and New Mexico, and, in anticipation of considering a statehood measure, I took pains to inform myself as to the situation. In company with other colleagues in this House I traveled many hundred miles through the section, visiting all the principal towns and cities in both Territories. This gave me an opportunity of gaining concrete information, gathered from the scores of representative business and professional men I had the pleasure of meeting, and in this respect I desire to say that my inquiries were by no means confined to any particular class of individuals, nor did I talk with men for the purpose of hearing only one side of the question. In Arizona I visited Clifton, Metcalf, Morenci, Douglas, Bisbee, Tombstone, Benson, Tucson, Phoenix, Tempe, Mesa, Prescott, Crown King, Mayer, Humboldt, Grand Canyon, Flagstaff, Winslow, and Adamana. The same state of facts exists as to my visit to the cities and towns of New Mexico; so, Mr. Chairman, I believe that my observations upon this question entitle me to arrive at a just opinion as to the merits of the situation as well as to the sentiment of the people of the Territories.

Before, however, making a concrete statement of the reasons influencing me to oppose joint statehood for Arizona and New Mexico, as a Republican I am constrained to register my

protest and vote as well against what in my opinion is an unnecessary and arbitrary act, unjustifiable from either the view point of public policy or party expediency, which seeks to compel submission to the report of the Committee on Rules, according to the terms of which this bill is now being considered.

Mr. Chairman, I am willing to confess that there may have been occasions in the past, and these may again arise in the future, when from the view point of public policy the majority in this House may deem it necessary to invoke the powerful machinery of the action of the committee. I deny, however, that such an occasion was present at this time, and assert that not even a semblance of a reason can be found to justify under present conditions the harsh and drastic enforcement of a proceeding which should only be invoked under the color of greatest public necessity. Even under such circumstances, and they are indeed infrequent in the history of recent years, I am doubtful whether party action at any time can be justified when legislation is secured through the enforcement of methods not compatible with such rules and procedure as should govern the deliberations of this or any other representative body.

In voicing my protest I do not seek concealment behind subterfuges of a partisan purpose, as has been frequently done under the assertion that the measure under discussion is a Republican measure. I may be pardoned for saying that I am serving no apprentice years in the Republican ranks, for through all the years of my life I have been a Republican, strictly adhering to its great party history, rejoicing in its great party achievements, and believing in its principles, and I am no less a Republican to-day because of my opposition to this bill and to the rule under which it is brought before the House.

Mr. Chairman, I am willing to confess that there are occasions when individual judgment may give way to party judgment, when the will of the majority of a party, duly expressed through a caucus of the members of the House, for the time being, absorbs the opinion we as individual Members may hold, but in this case I fail to find a reason why the committee should usurp the functions of this legislative body. The attempt is here made, through this report, not alone to stifle the opinion of individual Members, but to prevent and prohibit any change, however important, by way of amendment. To the best of my ability I have endeavored to ascertain, from the basis of either public or party necessity, some reason founded in good sense and justice which will explain the situation now confronting the House. In this case the committee not only nullifies the expressed sentiment of practically the unanimous voice of the people of Arizona, but to my mind nullifies a principle, basic and sound, upon which rests representative government. In the years of my experience as a Member of the House there have been times of partisan stress when the whip of politics not only waved over our heads, but cut deep welts into our flesh. I have endeavored to ascertain if a similar condition prevailed at this time, to explain this intensity and give a cause for the methods invoked, but truth compels the statement that, neither in binding party principle, nor in convention declaration, can I find anywhere the mandate destroying the right of any loyal Republican to vote upon this question as his judgment and knowledge of the situation may dictate.

Only from the committee, Mr. Chairman, and from those who upon this floor assume that their word is the voice of the Republican party, alone can the inference be taken that in this report can be found any question of vital concern to the Republican party. I am not willing to concede, for one, that all the wisdom of the Republican party is to be found with the committee, or that this committee has the right to say what is or what is not orthodox Republicanism. What strange assumption of authority is this, that three Members of the House, supposedly selected as the instruments of legislative will, should become the masters of the body that gave them being? It may be that there are Republicans on the floor of this House who have delegated their Republicanism to the Committee on Rules, together with other rights the committee assumes to exercise, but as for me, I have not yet become a political automaton, so I raise my voice and register my vote in protest. What is the political exigency, where the necessity, of such an assumption of authority? In the making of a law as important as is the legislation which adds new stars to the sisterhood of States can it be possible that the judgment of three members of this House is better, more wise, and more just than the judgment of the people of Arizona themselves, who in almost one voice protest against the action such as is planned by the committee? Is it possible to conceive that these three men can raise the cry of party fealty and loyalty and thus silence the cry for justice and right coming to us from the people whose interests are in the balance?

Possibly it may be, Mr. Chairman, that I have not kept pace with the onward progress of events, and incline too greatly to the traditions, history, and methods of the Republican party as a safe and sure guide to influence my political conduct. Accepting these, however, as a safer and better creed and a surer foundation of right than the arbitrary act of a committee, which for the time being assumes the power to speak for my party, I believe that I am justified at this time in briefly calling attention to the danger as well as injustice of the action contemplated under the rule. There never has been a time in the history of the Republican party, from the day of its birth to the present, when it was not responsive to every reasonable demand made upon it. It has ever been the instrument through which have been achieved the best results of equal advantage to all the people of our country. It has ever been faithful to the trust imposed, and the pages of history give fair credit where credit is due. At no time has any act of the Republican party oppressed any people, and I assert that the oppression and injustice of the act sought to be enforced by the committee—favoring joint statehood of Arizona and New Mexico—is not a Republican act in spirit, for it is not in conformity with the usage the Republican party accords to the people whose voice is raised in protest.

For holding to the belief that it is neither within the right nor power of any three men acting as a committee of this House to pass upon my Republicanism I am held to be an "insurgent." For disputing the right of these same men and denying that they have the rightful power and authority, through delegation or otherwise, to say this law shall pass and that law shall not pass, and, in addition, prescribing the exact form as well as all rules governing the debate, amendment, and disposition of any measure pending before this body, an attempt has been made to qualify my Republicanism, as well as the Republicanism of other gentlemen upon this floor. With an assumption easily understood, when the purposes of the committee's activity as well as intensity is considered, the effort has been made upon the floor to show that the action of the committee is in accordance with the desires of President Roosevelt. Having assumed power never delegated to it, the committee, in order to enforce its mandates upon the House, takes refuge behind the prestige of a name and influence we all respect. While the views of President Roosevelt upon the statehood question are well known, his views upon an un-Republican act, such as may well be termed the assumption of authority by the committee, are not known. No one questions the right of President Roosevelt to make to Congress such recommendations as he deems necessary, but no one—unless perchance it is our Committee on Rules—will assume that he has selected this committee as the instrument through which Congress acts, thus nullifying the very spirit of a representative form of government.

Mr. Chairman, I for one am willing to stand or fall upon any test that can be applied to the Republicanism of President Roosevelt, reserving the right to act honestly upon my knowledge and convictions, and conceding to him the same right. I deny, however, the inference of gentlemen upon this floor that the President stands back of the Committee on Rules, or in his manly might would be more tolerant than are we of an act so wantonly disregardful of the rights as well as authority of the House. I permit no man to cast upon me imputations of disloyalty to President Roosevelt because of my opposition to this measure, rightfully based, as I believe, upon a careful investigation of the situation in the Territories affected by the legislation. I am opposed to and protest against the action of the committee, as I believe President Roosevelt would be were he in my position. To my mind there is a vital principle at stake in this question and one which has commanded too meager attention in the House and by the country generally. While I concede certain rights and authority, limited and defined, to a majority party represented in a deliberative body, I believe that the safety as well as the continuity of representative government demands as forceful a protest as can be made against the authority and power sought to be exercised by the committee. It seems to me that no possible argument is necessary, neither could an argument be made to rightfully demonstrate that any three men, however wisely selected from this body, should have the power to say that their will and not the will of the House should be law. This is the situation in a nutshell, and it is this condition against which I protest and cast my vote.

Now, Mr. Chairman, this statehood proposition is not a new question before Congress. We have had it here in various guises session after session. Sometimes it has taken the form of single statehood in the legislation demanded, and then again the proposition has appeared under the request for joint statehood as regards Arizona and New Mexico. In 1903 a bill creating four States from the territory included in Oklahoma, Indian

Territory, New Mexico, and Arizona was defeated in the Senate. Subsequent to that succeeding sessions considered the project, but no action resulted until the last session, when the House passed the joint statehood bill joining Arizona and New Mexico. I myself voted for the measure under a misapprehension of the situation. The Senate amended the bill and the House refused to concur in the amendments, so the measure died with the Congress. During the pendency of this measure the people of both Territories protested against jointure and have continued this protest ever since.

The people of Arizona, as soon as they learned that there was danger of their being united with New Mexico to form a joint State, immediately expressed their violent opposition to any such measure. The disapproval was unanimous. The Delegate to Congress most strenuously objected. The legislature passed protesting resolutions; commercial bodies did likewise; local officials and private citizens all joined in the protest and flooded Congress with telegrams. The Territorial Bar Association sent a delegation to Washington.

The Delegate from New Mexico also objected. Their legislature passed resolutions against joint statehood and numerous other protests were made.

Believing that the Hamilton bill would be reintroduced at this session of Congress in substantially its original form, the protests continued. On May 27, 1905, a convention was called under the auspices of the Maricopa County Board of Trade to meet in Phoenix for the purpose of organizing an antijoint statehood league. Mayors of every city in Arizona, the boards of supervisors of the counties, as well as other commercial organizations were invited to appoint delegates. The Territorial central committees of the two parties held a bipartisan meeting at Phoenix and adopted resolutions. The delegates to the nonpartisan convention met and an organization was speedily effected. A committee on resolutions was selected, which drew up a set of resolutions.

These resolutions were unanimously adopted by the convention, and have since met with the universal approval of the people of the Territory. Every county in the Territory was represented, many of the delegates traveling hundreds of miles to get to the convention. The league represented all the people and business interests in every part of the Territory, irrespective of political parties. There was no division of sentiment in Arizona on this question of joint statehood. It is impossible to find a dozen men of any prominence in any line of activity who are in favor of joint statehood and who would not prefer to remain under a Territorial form of government indefinitely rather than be joined to New Mexico. Not 1 per cent of the people would vote for it. This conviction is based on the best of reasons and is unalterable.

Mr. Chairman, few people, even among those who assume to possess knowledge relating to the section of this measure proposes to create into a State, realize the vast extent of country now contained within the geographical limits of Arizona and New Mexico. In order to present some idea of distances and the enormuos area I will say that New Mexico has an area of 122,460 square miles. Arizona has an area of 112,920 square miles. Combined they would create a State of 235,380 square miles, which is larger than any State in the Union, with the exception of Texas, which on account of its size was granted the privilege when it was admitted by treaty of dividing itself at any time into five States. California, the next largest State to Texas in the Union, is smaller than the combined area of New Mexico and Arizona by 77,020 square miles—that is, the difference in areas between California and the proposed State of Arizona would be greater by over 10,000 square miles than the combined area of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut.

The shortest distance from Yuma to Santa Fe is 791 miles and from Phoenix it is 651 miles, and from personal knowledge of the situation, as well as geography of the two Territories, I can say that there is scarcely a settled community in the entire Territory of Arizona that is less than 500 miles from Santa Fe, the capital city proposed in this bill. This is a greater distance than from Boston to Washington, and in that section requires a journey by rail continuing for twenty-eight hours to go from Phoenix to Santa Fe. Many comparisons might be cited here to show the distance and cost of travel.

Mr. Chairman, I again desire to refer to the testimony which I gathered during my visit to that section of our country, almost an empire in geographical extent, and will say that I found an overwhelming sentiment among all classes of people, whatever their station in life, against joint statehood. Applying any possible test that can be used to determine sentiment, the fact can not be successfully disputed that the citizens of Arizona and New Mexico are unalterably opposed to jointure. In this connection I can say that no one was more surprised than was I when, in the debate upon this question, the gentleman from Minnesota [Mr. TAWNEY] felt constrained to accept the mandate issued by the committee and declared himself in favor of the pending bill. I well recall the receptions tendered us by the sturdy, progressive citizens of Arizona and the interest our visit occasioned. The gentleman from Minnesota [Mr. TAWNEY] was a member of that party, and united with us in endeavoring to ascertain what the sentiment of the Territory was upon the question of joint statehood. One of the methods invoked was to put the question, "Do you favor joint statehood?" to the crowds which greeted us. Mr. TAWNEY himself put the question squarely to the people on one occasion, with the result that not one hand was raised in affirmative vote. When the negative side of the question was put, "Those who oppose joint statehood raise their hand," practically every hand was raised and every voice in the meeting was heard in opposition. Just how the gentleman from Minnesota can reconcile his position before this House on this bill with what he knows to be the sentiment of the people of both Arizona and New Mexico is not for me to determine, but passes my understanding. I am forced to accept this seeming incongruity as a manifestation of the power and might of the committee when it clears for action.

I have been endeavoring to find out what reason exists, if reason there is, and if not, what the whim or purpose, which seeks to enforce something upon a people that they do not want. So far as the people of Arizona are concerned, with practical unanimity they have raised their voices in protests not to be misunderstood against a plan which joins them with New Mexico. However, this sentiment is not the only reason why this measure should not pass, for those who favor joint statehood have failed to advance one single substantial reason or argument upon which their contention is based. If the rights of the people who are concerned in this proposition were not affected, and serious consequences not to be apprehended from the proposed action, I would look upon this attempt as not only ridiculous, but partaking of all the semblances of a joke, backed by some one possessing a fully developed sense of humor.

In this connection I desire to call attention to some of the exceedingly ridiculous features of this proposition, as they appear to me, at least. Originally the territory now included in Arizona and New Mexico was under one Territorial form of government. After due trial, because of the vast area, differences of population, physical conditions, and many other genuine reasons, this form of government was found to be too cumbersome and two Territories were created. It is now proposed, under the terms of this bill, to unite Arizona and New Mexico as one State, and restore, in all practical respects, the conditions prevailing before the section was divided into two Territories. In other words, after a clear demonstration of the fact that the people as well as conditions in the two Territories could not be advantageously joined under a Territorial form of Government, we are now asked by the proponents of this scheme to try an experiment which has already failed. If it is contended that Territorial government is a failure, by what assumption and upon what basis can it be asserted that there will be less a failure under statehood? To my mind, the people concerned are the best judges of this, and are better prepared to say from a positive knowledge of the situation what disposition they desire Congress to make, and they have spoken in one voice almost.

Mr. Chairman, there are racial differences as well as many other considerations which should appeal to the good judgment of the House before steps are taken to throw into official relationship people who differ essentially in language, manners, and customs, and between whom there has been for years more or less of a feud—political always, and sometimes personal. In my opinion, bringing together under State government those unmixing elements of the population can result only in harm and disadvantage. In New Mexico, those of Mexican or Spanish ancestry are largely in a majority, controlling the legislature as well as the local courts. Out of the twenty-four counties in New Mexico, eighteen had Mexican probate judges. In the legislature, translators and interpreters are used and the session laws are printed in both English and Spanish. These facts are cited to show that present conditions do not warrant the joining of the Territories into statehood, and, in my opinion, no public interest is to be subserved by so doing. On the contrary, my investigations lead me to the conculsion that statehood will create a burden of difficulty and conflict, which will retard the growth and development of the people of both Territories.

It has been contended by those who favor joint statehood that the people of Arizona and New Mexico are not the only ones interested in this proposition, but that the country generally is interested and favors the bill. Judging from the letters I am

receiving from constituents who are familiar with the situation in the Territories, the sentiment against joint statehood is equally pronounced and the action proposed is protested against. Business men who have been in the Territories look upon this plan as a misdirected effort which will produce harmful results in case the bill becomes a law. I have no more personal interest in the solution of this question than any other Member of the House, but do claim that I possess the advantage of personal knowledge gained by a careful and painstaking investigation of the situation. This impells me to take the stand I do.

I know of no immediate reason, based upon a legitimate demand, which this House should consider for the admission of these Territories jointly or separately. If, however, statehood is to be forced upon the Territories, it is my judgment that we should choose the lesser of two evils, and admit each as a separate State. I do not contend for separate statehood, for it is my opinion that conditions do not warrant the step, but do assert that joining Arizona and New Mexico under conditions which prevail at this time and perhaps always will prevail is nothing short of a legislative crime, the perpetrators of which are laboring under an entire misapprehension of the sentiment of the people there, as well as of the general sentiment of the country. In racial characteristics, in language, in intense and continuing prejudices no process of amalgamation can unite the people of the two Territories so that advantageous governmental results will follow. I could furnish no end of testimony and statistics to demonstrate that my opposition to this measure is based upon good sense and justice. I submit herewith extracts from the report made by Joseph H. Kibbey, Territorial governor, to the Secretary of Interior for 1905, which, to my mind, in a concise and convincing manner give reasons sufficient to show that the proposed measure should not be passed. The extracts are as follows:

The defeat of the bill enabling New Mexico and Arizona to jointly form a State constitution, and providing for their ultimate admission to the Union as one State, was received by the people of the Territory with universal gratification. The small margin by which the defeat was effected in the Senate and the prompt avowal by the friends and advocates of that measure of their purpose to renew their efforts at the next ensuing session of Congress has, however, excited general alarm.

The proposed union is regarded by our people as a menace to the prosperity and progress of the Territory.

For more than forty years the people of the two communities have lived in separate Territories, and whatever of progress or achievement they have attained they have attained them under totally different conditions, both artificial and natural. The proposed union involves necessarily a change in those artificial conditions. Either the people of New Mexico will have to abandon her laws and customs and adopt those of Arizona or the people of Arizona will have to submit to those of New Mexico. As New Mexico has the larger population, it is not to be expected that the people of that Territory will voluntarily abandon their laws, their habits, and customs to adjust themselves to those prevalent in Arizona. There is no reason that they should do so; if there were, then those laws would long ago have assimilated themselves to our own. It is not at all probable that New Mexicans would be persuaded that Arizona laws are to be preferred to their own, nor is it any more probable that Arizonians would have preference for those of New Mexico.

* * * * * * *

There is no doubt that an overwhelming vote of the people of Arizona would be recorded against any constitution which involved the jointure of the two Territories as one State. Yet, notwithstanding that, we would be by the preponderant vote of the New Mexicans subjected irrevocably to a fundamental law against which we in vain and uselessly protested.

* * * * * * *

A more patriotic people, a people more intensely American, or more devoted to the great Union than are Arizonians, inhabits no State or Territory within its confines.

They ask most respectfully, but most earnestly, that no law shall be passed by Congress which shall make Arizona a component part of any State without the consent of her people. Do not force a union upon her.

Governor Brodie, in the report of 1904 to the Secretary of the Interior, said:

The two Territories as they stand to-day are different in many ways. They have little in common; their laws are dissimilar. It is doubtful if they could ever become reconciled to exist under one form of State government. The same local patriotism existing in Arizona is also to be found to a great extent in New Mexico, notwithstanding the claims of a few citizens of the neighbor Territory who are willing to take this form of statehood rather than none at all. I believe the merger would not be acceptable to the mass of people of either Territory.

I can not add to the protest that has already been made by the people of the Territory of Arizona against this reprehensible measure, and I have only to say that they would desire that their Commonwealth remain a Territory indefinitely rather than be joined with New Mexico. They desire to come into the Union as the State of Arizona with the present Territorial boundary, and until, in the wisdom of the nation's legislators, they are permitted to do this they are content to remain as they are, trusting in the justice of the future years to bring the boon so earnestly sought.

And so, Mr. Chairman, the testimony might be continued indefinitely, all of the highest character, coming from men whose first obligation, officially at least, is to the Federal Government. I am puzzled to find a solution to explain all this intensity in favor of a measure not asked for by the people most concerned, and who can best speak with the authority of self-interest and from the viewpoint of advantage to be derived. I might continue and enumerate the names of scores of men I talked with, and give the substance of their observations made to me upon this proposition, and so might other Members upon this floor who have visited the Territories, but testimony, as well as my own observations, are all of a nature to force the conviction and intensify the belief that there is nowhere in either Territory a sentiment upon which can rightfully be based this contemplated action.

Mr. Chairman, as a Republican growing old in the service of a party I have always affiliated with, the traditions, history, and record of which I have ever honored, I desire to enter the strongest possible protest against this act and the methods which seek to fasten responsibility upon my party. In the frenzy of temporary power, in the bitterness of a reaching out for personal prestige, fundamentals are sometimes forgotten, and so in this instance, the established principles of Republicanism may possibly give way in the handling of misguided and misinformed partisanship. These principles stand and will continue to stand as a better test for Republicans and for the people of our country generally than the acts of individuals who for the time being may lead. Representation in government has ever been a principle of Republicanism, sacred and continuing to-day in its influence, and as strong as when the tenets of Republican faith were proclaimed by the fathers of the party. These principles are in opposition to an act such as is the one under consideration, for no heed is given to the voice of the people raised in protest against taking from them their liberty and rights, and under an assumption of power, destroying for the time being even the semblance of a representative form of government. The Republicanism to which I adhere, and its tested and enduring principles, give me a higher and better faith than the stress of a partisanship and narrowness seldom equaled in the history of Congressional method. Republicanism means more to me than the whip of a lash in the hands of men who have neither the right nor the power to waive it over my head and proclaim that unless I submit my convictions of right and justice to their keeping my party loyalty is in question. If to stand by the enduring principles illuminated by the declarations of Lincoln and by all the fathers of our party, who raised their voices and devoted their lives so that freedom's heritage would be in no man's keeping, makes me less a Republican, I am willing to abide by the consequences of my act.

To Provide Corporal Punishment for Wife Beaters in the District of Columbia.

SPEECH

OF

HON. ROBERT ADAMS,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, December 15, 1905,

On the resolution (H. Res. 42) for the distribution of the President's message.

Mr. ADAMS of Pennsylvania said:

Mr. CHAIRMAN: I ask the serious attention of the House to a question which some uninformed persons are inclined to treat in a spirit of levity—the bill to provide corporal punishment for wife beaters in the District of Columbia. Surely a measure that was suggested by our President, unanimously indorsed by the three Commissioners and by the chief of police of the District, supported by his statistics, which are a terrible surprise as to the prevalence of the crime, is not one to be laughed aside by sarcasm or caricature.

Mr. Chairman, I quote from the President's message addressed to the Fifty-eighth Congress, on page 13, in which he says:

There are certain offenders, whose criminality takes the shape of brutality and cruelty toward the weak, who need a special type of punishment. The wife beater, for example, is inadequately punished by imprisonment, for imprisonment may often mean nothing to him, while it may cause hunger and want to the wife and children who have been the victims of his brutality. Probably some form of corporal punishment would be the most adequate way of meeting this kind of crime.

Mr. Chairman, in pursuance of that suggestion by the President I have introduced a bill into this House which, as it is short, I will read for your information. It is as follows:

H. R. 17115.

Be it enacted, etc., That whenever hereafter any male person in the District of Columbia shall beat, bruise, or mutilate his wife the court

before whom such offender shall be tried and convicted shall direct the infliction of corporal punishment upon such offender, to be laid upon his bare back, to the number of lashes not exceeding thirty, by means of a whip or lash of suitable proportions and strength for the purpose of this act.

SEC. 2. That the punishment provided in the first section of this act shall be inflicted by the marshal of the District of Columbia, or by one of his deputies, within the prison inclosure, and in the presence of a duly licensed physician or surgeon and of the keeper of the said prison or one of his deputies, but in the presence of no other person.

Mr. Chairman, twenty-two years ago, when I had the honor to sit in the senate of Pennsylvania, representing one of the districts of Philadelphia, a constituent put in my charge a similar bill to repress this crime and inflict a proper punishment. I thought so little of it that I declined all personal responsibility for it, and introduced it "by request." Strange to say, the committee, instead of allowing it to die in the pigeonhole of the committee room, reported it adversely to the senate chamber, an unusual proceeding. Being rather nettled, I addressed the senate on the subject, and to my surprise and to the surprise of everybody the bill was placed on the calendar by the necessary two-thirds vote in spite of the adverse report of the committee to the contrary. [Applause.]

Almost the entire press of Pennsylvania took up the subject in its advocacy and support. I began to look into this subject seriously, and I assure you from that day to this I have been thoroughly impressed with the advisability of such legislation to put down this brutality. More than that, I have gone into the economical side of the question, and if the House will bear with me I will show that it is in the interest of the taxpayers to enact this legislation.

Many historians have agreed that the treatment of women as a nation is one of the best tests of its progress in civilization. A short review will testify to the soundness of this conclusion. In savage life, in which prowess alone commands distinction, the comparative feebleness of woman deprives her of recognition, and she is the mere slave of man for labor and drudgery. This is equally true of the barbarians of the past, or the savage of Brazil and North America of the present. The first idea of a wife seems to have arisen from the power to obtain and retain possession of a woman. We read in the Bible of the capture of wives from the daughters of the Shiloh for the children of Benjamin. The early history of the Greeks, Romans, and Hebrews is filled with expeditions made for no ostensible reason save that of procuring wives. Walter Scott says that the Macgregors captured a wife in 1750 for Robin Oig; a date so recent that the deed might be set down to fiction did we not know that it was necessary to pass a law in England in the third year of Henry VII's reign making it a capital offense to carry away a woman without her consent. The next step in the matrimonial relation was the sale of daughters among the semicivilized tribes. This had the improvement of giving fathers and brothers some say in the disposition of the woman, and of at least rejecting brutal alliances. The Egyptians stand out in bold relief in respect to their treatment of women during the reign of the Pharaohs, but as their advanced state of civilization at that time is well known, it but adds a proof to the validity of the test before named.

The legal status of woman was changed early in the Greek law, and from that of a chattel to be sold, the father paid a sum of money to the bridegroom, which was the beginning of the custom of "dowry." This was secured to her, in case of separation, as well as an allowance from her husband, if he were the guilty cause of a divorce. Thus, a fixed legal status with personal rights was first given by Greek law. This raised her position in the marital state, and she became the companion instead of the plaything of the husband. The "Patria Potestas" of early Rome gave absolute authority to the father over the family. He could sell his daughter to one of his own selection, and his authority was transferred to the husband as to the fortune and even the life of his wife. More mature Rome jurisprudence improved the status of the female to the extent of inheritance of property and its retention independently of her husband. The fall of Rome and the institution of feudalism had a disastrous effect on the social and legal position of women. Marital service was the indispensable qualification of the right to hold property. Deprived of this, her personal rights were soon abridged. During the whole Anglo-Saxon period the law gave the power to the husband to exercise restraint by correcting her if necessary. Civil law allowed the husband for some misdemeanors "flagellis et festibus acriter verberare uxorum," and for others only "modicum castigationen adhibere." Authorities do not agree as to what constituted a moderate castigation, or the instrument wherewith it was to be inflicted. Welsh law fixes as a proper allowance "three blows with a broomstick on any part of the body except the head." A second law limits the size of the stick at the "length of the husband's arm and the thickness of his middle finger." Another rule was that "a man may lawfully correct his wife with a stick no bigger than his thumb." No wonder, then, when Justice Brooke (12 Henry VIII, fol. 4) affirms "that if a man beat an outlaw, a traitor, a pagan, his villein, or his wife it is dispunishable, because by the law common these persons can have no action." He says "God send gentle woman better sport or better compane." But said Blackstone, in his Commentaries, "With us in the politer reign of Charles II this power of correction begins to be doubted, and a wife may now have security of the peace against her husband. Yet the lower rank of people, who were always fond of the old common law, still claim and exact their ancient privilege." It was not until 1829 that the act of Charles II, which embodied the old common law and allowed a man to "chastise his wife with any reasonable instrument," was repealed.

The legal position of women in this, our century, is fully established, so far as her rights to property are concerned, and she is amply protected against her husband squandering her wealth, be it real or personal. Her person itself occupies a less secure position, and even the remedy offered by law is not available to her, owing to the attending consequences, and this in spite of the Constitution of the country guaranteeing the right of enjoying and defending life and liberty. The usual proceeding "in civiliter" of suit against her husband for damages resulting from assault and battery is denied her, owing to her marital state, while the criminal prosecution, with the penalty of imprisonment, deprives her and her children of needed support, which anticipated result is frequently a bar to her even seeking protection. The binding of her husband to keep the peace, or the order of maintenance by the magistrate, has been found to be futile, especially among the class to which most wife beaters belong, namely, drunkards, who are the only class allowed to take the law in their own hands and inflict corporal punishment on their wives for alleged faults existing only too often in their intoxicated brain, while fines and costs simply deprive the injured mother and innocent children of the necessities to sustain life. Referring to the prevalence of the inhuman crime of wife beating, Darwin says, "With the exception of the seal, man is the only animal in creation which maltreats its mate, or any female of its own kind."

Judicial statistics leave no question as to the extent of the crime. In England and Wales, issue of 1877, we find that of aggravated assaults on women and children brought under summary jurisdiction there were reported in 1876, 2,737; in 1875, 3,106; in 1874, 2,481, and of these it is estimated that four-fifths were assaults made by husbands on their wives. It is in centers of dense mercantile, manufacturing, and mining populations that the crime was most prevalent. In London the largest returns for one year (Parliamentary reports of brutal assaults) of brutal assaults on women were 351: in Lancashire, 194; in Stafford, 113; West Riding, 15, and in Durham, no fewer than 267, with a population of only 508,666.

Mr. Chairman, I will insert an abstract from "The Wife Beaters' Manual, a Guide to Husbands' Connubial Corrections," published in London in 1884 by the author, Henry Romeike, founder of the press clipping bureau which bears his name.

What the English courts charge for wife beating:

Two shillings 6 pence, throwing the fire irons at the head of his wife.

Five shillings, beating his wife on the head with a piece of wood two months after marriage.

Six shillings, beating his wife several times, kicking her with his feet in the breast, tearing her hair out, trying to strangle her, and knocking her against the bed.

Another, pushing his wife in the fire and burning her hands.

One pound sterling, a black eye, trying to cut his wife's throat, kicking her in the breast, throwing a cup of hot tea in her face after having boxed her ears.

Two pounds sterling, two black eyes, knocking her over the head and splitting it open.

Three pounds sterling, kicking her in the stomach, disabling her for weeks to do any work.

Here is the fun a man can have in England for six months' imprisonment: He may cut his wife's face with a knife, beating her with a lamp, break one (only) of her arms, kick her while she is helpless on the ground, and tear off her clothes and burn them.

Surely these punishments are a travesty on justice and not calculated to restrain these brutes from repeating their crime.

In America it has been impossible to secure any published statistics, but to supply the place of such records the following interrogatories were sent to every district attorney in the State of Pennsylvania, and their replies have been tabulated to show the results:

I. During the last year how many complaints were made to

the grand jury for wife beating or for assault and battery on wives by their husbands?

II. How many true bills were found?

III. How many convictions were obtained, and what was the average term of sentence?

IV. The nationality of the condemned?

V. In your opinion is the crime on the increase?

VI. Do you know if the families of the condemned, or what proportion of them, became a charge upon the county for want of support?

VII. Were the condemned under the influence of liquor at the time of committing the crime? Please return, etc.

County.	During the last year how many complaints were made to the grand jury for wife beating or for assault and battery on wives by their husbands?	How many true bills were found?	How many convictions were obtained, and what was the average term of sentence?	The nationality of the condemned.	In your opinion, is the crime on the increase?	Do you know if the families of the condemned or what part of them became a charge on the county for want of support?	Were the condemned under the influence of liquor at the time of committing the crime?
Adams	3	2	2, costs and fines	American	No	None	Yes.
Allegheny			50, 5 days to 1 year				
Armstrong							
Beaver	2	1	1, 2 years.	Irish	No		
Bedford	None.	None.			No		
Berks	10	8	5, fines and costs	4 Germans, 3 Irish, 1 English	Yes.	2	Mostly.
Blair	4	1	1, 6 months	American	No	1	Yes.
Bradford	2	2	6, 2 days to 3 months	All	Yes.	1	Yes.
Bucks	15	None.				1 or 2	Three-fourths were.
Butler							
Cambria	None.				No		
Cameron	1	1	1, 6 months	German	No		Yes.
Carbon	8	6	6, 30 days to 3 months	German, Irish	Yes.	2	1 case.
Center							
Chester		4	4, fines and costs		Yes.	No	Yes.
Clarion	3	2	6, years	German, Irish	No	No	No.
Clearfield	5	3	3, fines and costs	American, Irish, German	No	Not any	Yes.
Clinton	2	2	Costs and fines	German, American	No	None	No.
Columbia	None.	None.	None		No	No	
Crawford	2	2	2		No	No	Yes.
Cumberland							
Dauphin	2	2	1, 2 months	Colored	No	No	Yes.
Delaware							
Elk							
Erie	1	1	1, 1 year	German	No	1	Yes.
Fayette	a 3			American		1	1.
Forest	None.	None.	None		No		
Franklin	2	2	1, 6 months	German	Yes.	None	No.
Fulton	1	None.		American	No		Yes.
Greene	3	2	1, 30 days.	do	Yes.	None	No.
Huntingdon	4	None.		do	No	No	No.
Indiana	None.						
Jefferson	2	1	1, 30 days.	American	No	No	Yes.
Juniata	1	1	1, 6 months	German			Yes.
Lackawanna	6	6	1, 30 days.	Hungarian	No	None	Yes.
Lancaster	7	None.	2		No	No	No.
Lawrence	None.				No		
Lebanon	12	8	8, 60 days.	German, Irish	No	Not any	Yes.
Lehigh	4	None.	None	Irish and German	No	None	No.
Luzerne							
Lycoming	10	6	4, 15 days.	American, Irish	No	No	Yes.
McKean	5	5	None	Irish and American	No	None	Yes.
Mercer	2	None.	None		No		Yes.
Mifflin							
Monroe	None.				No		
Montgomery	9	9	4, 3 months	Irish, English, American	Yes.	None	5 yes, 4 no.
Montour	None.				No		
Northampton	10	8	6, 30 days, 6 months	Irish, American	Yes.	No	Yes.
Northumberland							
Perry	None.						
Philadelphia	308	182	80, 5 months	No record	Yes.	Not many	Almost always.
Pike	None.				No		
Potter							
Schuylkill	16	16	15, 20 days		No		Yes.
Snyder							
Somerset	1	1	1, 2 years 6 months	Italian	No	No	Yes.
Sullivan	2	None.	None	American	No	No	Yes.
Susquenanna	None.				No		
Tioga							
Union	None.				No		
Venango	1	1	1, 1 year	American	No	Yes	Yes.
Warren	None.						
Washington	4	None.	None	2 Welsh, Scotch-Irish	Yes.	None	3 yes, 1 no.
Wayne	2	1	None	Irish		None	1 no, 1 yes.
Westmoreland	6	3	None	American	Yes.	None	4 yes, 2 no.
Wyoming	2	None.	None	American, Hungarian	No	None	
York	None.				No		
	527	287	211, 3 months	Mostly foreigners	Yes 11, no 36.		Yes 30, no 7.
Camden	125	30	½, 15 to 60 days	Irish, German, American	Yes.	A few	Mostly.

a Wife desertion.

Five hundred and twenty-five brutal complaints by wives against their husbands for brutal beatings in one year is a terrible showing for a State so long settled and so far advanced in civilization in other respects as is Pennsylvania. Three hundred and thirty-seven of the complaints were pronounced well founded by the grand jury, and 211 husbands were convicted for terms averaging three months each, thus depriving their families of necessary support. Would that we could flatter ourselves that these returns showed the full extent of this crime in that Commonwealth, but it is probably ten times as great as is directly apparent. It will be noticed that there is no return from the coal regions of Luzerne County. Attention is also called to the prevalence of wife beating in Camden, N. J., which, except for geographical lines, is part of Philadelphia. The tabulated reports represent only the aggravated assaults, in which the wife, driven to desperation by repeated assaults, seeks to have her husband imprisoned.

Hundreds of minor cases appear before the justices of the

peace or are settled before trial. This fact is established by the voluntary remarks of the several district attorneys. He of Lycoming County says: "The statement does not by any means represent the extent of the crime. Many prosecutions are settled before the justices that we never hear of. Many more wives are abused who will not make a complaint." The prosecutor of Northampton County says: "There probably have been many more such cases returned for trial during the year, but settled by parties before bill is found. Many more have been settled by the justices of the peace and no returns made to court." Blair County: "I have had a great many cases of wife beating, but only some three or four have come to trial; all generally settled, and frequently before preliminary hearing." Montgomery County: "Desertion cases, which are disposed of on hearing without jury trial, develop a large amount of wife beating. These are not included in the queries. During the past year wife beating was developed in ten desertion cases." The district attorney of Erie County says: "I find that a certain class of Englishmen beat their wives from habit." Dauphin County: "Only two specific charges of assault and battery on wives, but in many desertion or maintenance cases the testimony showed personal violence by husbands."

Clearfield County reports: "Forty complaints have been made before magistrates in addition to complaints appearing in court." In the thickly settled mining regions of Schuylkill County the preserver of the peace writes: "Thirty-six cases were returned by justices of the peace and were bound over by the judges for good behavior. Then we had about forty cases in which there was no trial from the fact that the wives asked the court to withdraw the prosecution of the defendant, as his imprisonment would leave the families in want." It is needless, in order to establish the prevalence of this crime, to quote from others who write in a similar strain.

Further, it will be noticed that wife beating exists to a greater extent, though not exclusively, among the foreign population, and it is certainly desirable that the baneful influence of the practice should be promptly checked before contaminating our native-born people.

To the question, "Were the condemned under the influence of liquor at the time of committing the crime?" the answer is almost invariably in the affirmative. Here is a thought for those interested in the temperance cause. What effect would the whipping post have on these drunken brutes? From eleven counties and from Camden comes the disheartening statement that in the opinion of the men best able to judge the crime is on the increase.

Surely, with its prevalence in many counties and its increase in others, the present law is proved to be inadequate, and legislation is necessary on the subject.

The knowledge of the frequency of wife beating will be startling to the community and the inadequacy of the present punishment evident. Infliction of punishment should always have a twofold end—the reform of the criminal and the prevention of the committing of the crime by others. Hobbes says: "In revenges or punishments man ought not to look at the greatness of the evil past, but the greatness of the good to follow, whereby we are forbidden to inflict punishment with any other design than for the conviction of the offender and the admonition of others." The latter has the greatest interest for the public for its own safety and that of its property.

The ordinary procedure, when complaint is made, is before justices of the peace, to whom the wife applies to have her husband bound over to keep the peace or to provide maintenance. These cases are usually settled, the wife preferring to risk a second beating rather than deprive herself and offspring of food and shelter. The risk of such deprivation likewise deters the magistrate. The district attorney of Cameron County writes: "The greatest difficulty in enforcing the law properly and punishing wife beaters arises from the fact that the wives themselves in every instance come into court and beg their husbands' release. This has been my experience and my predecessor says his was the same. Summary conviction before a magistrate and the whipping post within an hour after the crime would, in my opinion, be a good way to prevent the constant occurrence of this crime."

The district attorney of Schuylkill County says: "There were about forty cases in which there was no trial, from the fact that the wives asked the court to withdraw the prosecution. To imprison the defendant would only leave their families in want."

The district attorney of Lycoming County testifies: "Except in aggravated cases settlement is encouraged, because the parties are all poor and have no money for the costs and fines, and their families suffer while they are in prison."

The district attorney of Pittsburg writes: "In most cases the wives come into court and beg for the release of their husbands."

The district attorney of Philadelphia says: "I have no doubt the imprisonment of the wife beater in a large majority of cases causes very great suffering to the innocent families. More, indeed, than his incarceration inflicts on him."

In the more formal and protracted procedure of complaint and indictment by the grand jury, followed by trial in court, the objections noted rise to even a greater degree of force, and Judge Mitchell, of Philadelphia, informed me that in cases in which conviction has been had he has invariably been appealed to by the wife to impose only a short sentence, as long imprisonment meant starvation to the family of the convicted.

Confinement in the county jail, where not even hard labor is imposed, has no terror for a brute so demoralized that he will strike a woman—his physical inferior—and by nature he is incapable of feeling for those suffering at home.

It has been urged that wives would not inform on their husbands and expose them to the disgrace of being whipped. But at least they would have a chance, and it will be seen from the testimony given that the law, as at present existent, does not even give them any option, for with the want of food staring them in the face they dare not complain. The punishment of the lash is not open to the objection that want will follow to the complainants, and if they have a remedy and prefer to suffer, it is for them to decide. Wife beating is not done openly where the law can see and take cognizance of the breach of the peace, and that the law may be put in motion it is essential that the wife should be placed in an untrammeled position, free to protect herself by making complaint.

There is an economic side to the whole matter which affects the community far more than the mere horror of the brutality of the offense. Society is an organization to protect itself. The combining of the weaker against the strong and the employment of the machinery of the law offer comparative safety to the individual. To sustain the system society is willing to be taxed; to have prisons built; judges and prosecuting attorneys paid; police hired; convicts immured and supported, and for every murderer hung or incarcerated the sense of increased security for his person is a return to the individual for the tax paid, and the conviction of each thief is a consideration received on account of the premium paid for the security of property.

What relation does the crime of wife beating bear to the taxpayer beyond the shock to his feelings of humanity? It affects the citizen in no degree if the brute plies his vocation every day of the year. The person of the taxpayer, if anything, is less secure, for the brute from force of habit in inflicting pain might assault others who were his physical inferiors, while the property of the taxpayer, if the brute is convicted and sentenced, is taxed to support him in jail. The evil does not end here, for the chances are largely in favor of the wife and children of the criminal being left a charge on the county as inmates of almshouses during his imprisonment. The number of persons who thus become a charge upon the county it is next to impossible to estimate. In reply to the inquiry on this subject the several district attorneys were unable to give information save in a few cases, and as commitments only read, "assault and battery," no information can be gleaned from the prison registers.

The men convicted of this crime are married, and with the average family the number of persons deprived of support can not be small. The incomplete returns give 211 convictions with an average sentence of three months each, which, at 25 cents per diem, makes a charge upon the taxpayer of over $5,000 annually for supporting these brutes in idleness. Not a pleasant thought, certainly. Of course the subject might be pursued further in this direction, and we might discuss as a matter of loss to the State the pay of jurors, witness fees, also the time wasted by courts and attorneys in trials of wife beaters while important civil cases awaited adjudication. An additional loss is the money spent in the purchase of the alcoholic stimulant with which these brave men fortify themselves for the heroic deed of attacking their wives—their physical inferiors—to say nothing of the further loss due to the habit of idleness acquired during their imprisonment without labor. But enough has been adduced to support, from an economic view, the passage of a law to suppress this crime.

Mr. Chairman, in a recent debate in the senate of Pennsylvania objection was raised by a senator, not trained in the law, that the proposed punishment was in violation of the constitutions of the United States and of that Commonwealth. The amendment to the Constitution of the United States forbids "cruel and unusual punishment." This is a restriction of the Federal Government, and not upon the States. It is inapplicable to offenses against the State. This is well recognized, and has been adjudicated in the case of Barker *v.* The People. (3 Cow (N. Y.), 686.) The law as it existed in the slave States

formerly, and as it exists in Delaware and Maryland to-day, is a sufficient answer to the objection.

It will be noticed that the constitution of Pennsylvania does not retain the wording of the bill of rights (1 William and Mary), as does the Constitution of the United States, but omits the word "unusual." That this omission was designed by the framers there can be no question, as the original phrasing was of too ancient a date and too familiar to be mistaken, and formed one of the most pronounced declarations of that statute which established security of personal liberty. In interpreting the portion of the bill of rights cited, James Fitzjames Stephens says, "No doubt the flogging of Oats and others who were sentenced were the cruel punishments which Parliament referred to." Macauley, in describing the infliction of the sentence, says that Oats was expected to die. He was whipped twice at an interval of two days. "The hangman laid on the lash with such unusual severity as showed that he had received special instructions. The blood ran in rivulets." On the second whipping he received 1,700 lashes. It was to the prevention of such cruel and unusual punishment as this that the provision of the bill of rights was directed, and not against whipping itself. This is substantiated by the fact that "whipping has never been formally abolished for common-law misdemeanors" (Stephens), but, on the contrary, has been named as punishment to be inflicted in the acts 26 and 27 Victoria, C. 44, where the number of whippings, and the instrument to be used, and the number of strokes to be inflicted are set forth. In 1863 this statute, the garroters act, was passed by Parliament, discretionary power being given to the judge to inflict the additional punishment of flogging, and this most atrocious crime of strangling, which had held London in terror for several years, disappeared after one or two convictions.

These statutes plainly show that in England the section of the bill of rights against cruel and unusual punishments is held not to refer to whipping properly administered as a punishment.

In Pennsylvania, up to the time of the adoption of the constitution of 1790, in which was first inserted the restriction against cruel punishment, the provisions of 1 William and Mary were in force, and to show that the interpretation in that State was the same as that in England I cite the act of March 10, 1780 (1 Smith's Laws, 501), in which punishment for horse stealing is prescribed. "Every such person or persons so offending, for the first offense, the offender shall stand in the pillory for one hour and shall be publicly whipped on his or on their bare back with thirty-nine lashes well laid on." And the act of March 16, 1785, prescribes that for counterfeiting the offender "shall be sentenced to the pillory, to have both his or her ears cut off and nailed to the pillory." These were not considered cruel and unusual punishments under the bill of rights, nor can they be held to be in violation of the clause of the constitution of 1790, for they remained statutes after its adoption for nearly fifty years, and were only repealed by the act of April 3, 1829, although it may be a question as to what was the effect on this subject of the acts of April 5, 1790, and April 22, 1794. The present constitution of Pennsylvania retains the clause of the former constitution verbatim in regard to cruel punishment, and as the case is in no wise changed, I hold that there is no constitutional prohibition preventing the passage of the law inflicting whipping as a punishment.

The question of flagellation as a punishment has received much more attention than perhaps the Members of this House are aware and from very serious sources. It has long been debated whether flagellation as a punishment or flagellation as a penance was the more ancient of the two kinds of whippings; but the Rev. William M. Cooper, in his History of the Rod, decides that corporal punishment is as old as sin, and that voluntary flagellation was in imitation of punishment inflicted on themselves by those feeling guilty of such sins as they had committed. That whipping is one, if not the oldest, mode of punishment history offers ample proof. In Exodus we read that Pharaoh flagellated the Israelites. In the laws of Moses flagellation was imposed for certain offenses, the number of lashes being limited to forty. Jesus Christ was scourged before crucifixion. The Romans carried the practice of flagellation further, perhaps, than any other nation. Horace tells of the nicety to which it was administered in his accounts of the "Ferula, the Scutica, and the terrible Flagellum."

The celebrated cases of Henry II, in England, and Miss Cadiere, in France, suffice as examples of the middle ages, while Austria, Russia, China, Turkey, and Siam at the present day apply the rod in various forms as a means of punishment. But it is far from my object to advocate whipping as a punishment in general or to approve the law as it exists in the State of Delaware to-day. The object is only to urge whipping as a remedy for the crime of wife beating, and in so urging I am in consonance with the doctrine laid down by James Fitzjames Stephens, the ablest judge that ever sat in an English criminal court, and one of the most learned writers on criminal law. In his history he says: "The view which I take of the subject would involve the increased use of physical pain, by flogging or otherwise, by way of secondary punishment. It should, I think, be capable of being employed at the discretion of the judge in all cases in which the offense involves cruelty in the way of inflicting pain or in which the offender's motive is lust. In each of these cases the infliction of pain is what Bentham calls a 'characteristic punishment.' The man who cruelly inflicts pain on another is made to feel what it is like. The man who gratifies his own passions at the expense of cruel and humiliating insult inflicted on another is most fearfully and shamefully humiliated." In 1874 the home office of England issued a circular requesting opinions whether flogging should be authorized in cases of assault, especially on women and children. There was a great unanimity of opinion that the law as it stood was insufficient, and that the penalty of flogging should be added to the list of sanctions. Lord Chief Justice Cockburn, Justices Blackburn, Meller, Lush, Quain, Archibald, Brett, Grove, Lord Chief Baron Kelly, and Barons Bramwell, Piggott, Pollock, Cleasby, and Amphlet were all of this opinion. Lord Coleridge and Mr. Justice Denman were hesitating, and Mr. Justice Keating, of all who sat upon the bench, was the only opponent of flogging.

The chairman and magistrates in sessions were, in sixty-four cases out of sixty-eight, in favor of whipping. The recorders of forty-one towns were likewise in favor of it, only three entering their protest against it. When, at the session of the legislature, a bill to establish the whipping post for wife beaters was introduced in the senate by the speaker he was flooded with letters from within and without the State in support of the bill, and copies thereof asked for even from Canada. The proposed act received the almost unanimous support of the public press. In the interrogatories sent to the several district attorneys the direct question of their opinion as to the establishment of the whipping post as a punishment was not asked for two reasons: First, in the agricultural counties the crime exists to a slight extent only, and the attorneys, probably in ignorance of its prevalence elsewhere, would naturally see no necessity for it; in the second place, the reasons for imposing whipping as a punishment solely for the crime of wife beating have but recently been given to the public. The following voluntary remarks, therefore, have double force as spontaneous opinions of the public prosecutors. The district attorney of Schuylkill County says: "There is a growing sentiment in this county in favor of your bill. Our judge has spoken favorably of it, and reminded a defendant, as he was about to sentence him, that he hoped that the day was not distant when wife beaters would be punished as directed in your bill." The district attorney of Westmoreland County adds: "As a rule, the same parties, in a year or so, turn up in court again for the same offense. The whipping post is the only adequate punishment for the offense." The district attorney for Cameron County testifies: "The law in its present condition is utterly powerless to prevent this crime. Summary conviction before a magistrate and the whipping post within an hour after the crime would, in my opinion, be a good way to prevent its reoccurrence." The district attorney of Adams County puts a P. S.: "Your proposed correction of this evil, when the case is clearly established, meets with my hearty approval." Forest County: "A law to flog wife beaters would be good." The judgment of the district attorney of Bradford is: "We ought to have the old whipping post in Pennsylvania, and nothing else will so effectually check this most dastardly crime."

The district attorney of Franklin writes: "I heartily favor the whipping post." Clearfield County, represented by district attorney, says: "In the writer's opinion, the Delaware whipping post would be a salutary preventive for this crime." The opinion of the experienced district attorney of Philadelphia, who presented 308 bills to the grand jury and convicted 80 brutes of this cowardly crime, is: "In my judgment, the re-establishment of the whipping post or some mode of corporal punishment, inflicted privately, would be more effective to reduce the number of wife beaters than the punishment of incarceration." Three grand juries of Philadelphia County recommended the passage of this biill to the legislature, and four called the attention of the public to the prevalence of the crime. The opinions of the judges of the court of common pleas of the State, on the advisability of whipping as a remedy for wife beating, are generally unknown to the speaker, but the mature judgment of the two judges longest in service on the Philadel-

phia bench—Judge Allison and Judge Ludlow (his junior but a few years)—both favored the proposed punishment.

In 1883 the legislature of Maryland passed a bill to punish wife beaters by whipping them, and the district attorney of Baltimore informed the speaker that after the first conviction the crime ceased as if by magic in that State.

Mr. Chairman, I will insert a letter from the district attorney, of Wilmington, Del., relative to the effect of the act passed by that State subsequent to the act establishing whipping for minor crimes. Also the letter of the superintendent of police of the District of Columbia, showing 500 cases of wife beating in two years. With this last and recent unanswerable testimony, I close my argument in favor of the whipping post for the offense of wife beating, feeling fully persuaded that the sentiment which exists to a certain extent against whipping as a punishment will, as did my own feeling, change when the facts are known and when it is well understood that it is proposed to inflict corporal punishment solely in cases of wife beating.

DEPARTMENT OF JUSTICE,
OFFICE OF UNITED STATES ATTORNEY,
DISTRICT OF DELAWARE,
Wilmington, December 20, 1905.

Hon. ROBERT ADAMS, Jr.,
House of Representatives, Washington, D. C.

SIR: I beg to acknowledge receipt of your letter of December 19, 1905, asking for statistics as to the effect of the wife-beating statute in Delaware. I have been unable to obtain any satisfactory statistics, but I am assured by the city and county prosecuting officers that the effect of the statute has been very salutary.

Respectfully,
JOHN P. NIELDS,
United States Attorney, District of Delaware.

HEADQUARTERS METROPOLITAN POLICE DEPARTMENT
OF THE DISTRICT OF COLUMBIA,
Washington, December 19, 1905.

Hon. ROBERT ADAMS,
House of Representatives, Washington, D. C.

MY DEAR SIR: I have the honor to inclose herewith a memorandum showing the number of cases of arrest in this jurisdiction where the charge was assault or assault and battery on women. The statistics are based on the records where the wife, or person of the same name as the defendant, was the complaining witness, as under existing law the charge is one of assault. Many of these cases were dismissed or nolle prosequied upon the request of the prosecuting witnesses.

If you will pardon the suggestion, I believe it would add to the completeness of your bill if you would include among those whom it would make subject to the penalty to be imposed the individuals who assault common-law wives or other females, as numerous instances of the kind have been recorded.

In my annual reports to the Commissioners of the District of Columbia I have heretofore expressed a favorable opinion for such a measure as you propose.

With best wishes, permit me to be,
Very truly,
RICHD. SYLVESTER,
Major and Superintendent.

MEMORANDUM.

The number of arrests on the charge of assaulting wives during the past two years was:

	Cases.
First precinct	15
Second precinct	76
Third precinct	65
Fourth precinct (14 white, 72 colored)	86
Fifth precinct	24
Sixth precinct (23 white, 73 colored)	96
Seventh precinct	39
Eighth precinct	57
Ninth precinct	32
Tenth precinct	18
Total	508

Distribution of President's Message.

SPEECH
OF
HON. JOSEPH A. GOULDEN,
OF NEW YORK,
IN THE HOUSE OF REPRESENTATIVES,

Friday, December 15, 1905,

On the resolution (H. Res. 42) for the distribution of the President's message.

Mr. GOULDEN said:

Mr. CHAIRMAN: The eloquent periods of the distinguished gentleman from New York [Mr. COCKRAN], as usual, are interesting. With his accustomed vigor he assailed the insurance companies of the country, showing a lack of knowledge of the subject that was not unexpected by the Members of the House.

He is nothing if not dramatic, and is always found on the radical side of all public questions. His statements were either without foundation or greatly exaggerated. For instance, his comparisons between savings banks and life-insurance companies, that in the first named you could withdraw your deposit at any time, while in the latter this could only be done at death, with the earnings. No comment is necessary to answer this sort of an argument. Again, he stated that the sums paid managers and agents was a robbery of the policy holders both unnecessary and unjustifiable. He further stated that the companies should be limited to the States in which they were located, and Congress should inquire whether they were not contrary to a republican form of government.

The gentleman's logic reminds me of a story of the presiding elder of a colored conference in Maryland. He said that his most difficult task was to keep the local preachers in his charge straight on theology. As an instance he related a recent experience. In visiting one of his churches he found the local preacher holding forth on hell. His description made the brothers and sisters tremble with terror. He said: "Hell is a fearful place, one of suffering and torment." "Why," said he, "in hell the icicles hang to your mouth, to your nose, to your eyes, to your ears, to your hair, to your fingers, and all over you." "When the service was over," said the elder, "I took him to task about his sermon, stating that his description of hell was not sound theology, but rank heresy, as hell was a hot place, very hot, and that he must change his sermon on that subject." His reply was: "Go way, brother; you don't understand dese eastern-shore niggers; dey all has de rumatiz, and if dey thought hell was a hot place all would want to go dere at once." [Applause.] It must be clearly understood that I am not here to either apologize or defend the evils of life-insurance companies' management. I am in favor of punishing all offenders in this or any other class of evil doers. Most of the speakers on this subject uttered statements that were only partially true or one-sided. There is no cause whatever for alarm, as the life-insurance companies are entirely solvent and abundantly able to pay every dollar of their liabilities. The thousands of millions paid to the widow and orphan, with a magnificent sum of two thousand five hundred millions of good assets, when compared with the amount lost in peculations, dwarfs the latter into insignificance. In 1904 the grand sum of two hundred and fifty millions was distributed to the policy holders by American life-insurance companies. The officers' salaries, clerk hire, general office expenses, medical examiners' fees, etc., in 1904 amounted to less than $20,000,000, an excellent showing.

The losses through dishonesty in management, which should, and will be stopped, are the direct result of "the system of high finance" so prevalent in the business world. The made dollar of Wall street, the water in the stocks and bonds of corporations, has superseded the earned dollar of honest endeavor. This is directly responsible for the evil found in our life insurance companies. In the investigation now going on in New York City, though including a number of companies, nothing has been found to condemn except the three large ones usually denominated "the big three." This speaks well for the remaining eighty-five American companies against whose management nothing has been found.

The claim made on the floor of this House by my colleague from New York, that the worst has not yet been discovered, is misleading and tending to destroy the confidence of the 7,000,000 policy holders. The greatest perhaps of all evils, one that has done much harm, adding greatly to the expense of management, is the matter of discrimination of policy holders, commonly known as "rebates." In fully one-half of the business written in the last few years the insured has demanded that the agent give up all or part of his compensation. The evil grew so common that the various States passed laws against it, but, I regret to say, of little avail. The moral turpitude of the people in most cases caused them to laugh at the law and to insist on their pound of flesh. A few prosecutions and an occasional conviction were the only results of the law. The only hope is in an awakened sense of moral activity on the part of the people. They must learn to realize that laws are enacted for the public good and that they must be obeyed not through fear of punishment, but because it is right.

The President, in his message, strikes the keynote when he says:

> Of course, the only complete remedy for this condition must be found in an aroused public conscience, a higher sense of ethical conduct in the community at large, and especially among business men and in the great profession of the law, and in the growth of a spirit which condemns all dishonesty, whether in rich man or poor man, whether it takes the shape of bribery or of blackmail.

[Applause.]

If the insurance companies can be relieved from the exactions of State supervision by the establishment of a national bureau, assuming that it could be done constitutionally, I should favor it. However, I am opposed to adding to the burdens of the companies by bringing into existence an added agent of super-

vision. I have no hesitancy in saying that the leading Commonwealths have honest and efficient commissioners of insurance, who have done excellent work in the past. With more power and under the stimulus of the exposure of evils which have gradually crept into the business, the future will be entirely satisfactory to all concerned. National supervision under the Bureau of Corporations in the Department of Commerce and Labor, in my judgment, would not be satisfactory. A separate bureau should be established in that Department, having in charge all insurance interests and nothing else. Then the people will have a double safeguard as to their rights as policy holders. [Applause.]

Railroad Rate Bill.

SPEECH
OF
HON. WILLIAM B. LAMAR,
OF FLORIDA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, February 5, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 12987) to amend an act entitled "An act to regulate commerce," approved February 4, 1887, and all acts amendatory thereof, and to enlarge the powers of the Interstate Commerce Commission—

Mr. LAMAR said:

Mr. CHAIRMAN: I shall vote for this bill, because it marks a great advance over the position of this House in the Fifty-eighth Congress taken by both political parties. I congratulate this House that the "extremism" of the Fifty-eighth Congress is the "moderatism" of the Fifty-ninth Congress; that the "radicalism" of the past session is the "conservatism" of this, and that the "Hearstism" of two years ago is the "Hepburnism" of this year. I do not believe that the Representatives, in the main, of the Republican party in this House have any love for this bill to regulate railroads; I believe firmly that they are driven to the acceptance of this bill by the advanced Democratic position in this country upon railroad rate legislation. It is a bill extorted out of their fears. It is a bill wrung from their reluctant hands. William J. Bryan and William R. Hearst, as leaders, and the great majority of Democrats in the ranks throughout the country are behind this legislation. And if it were not for the fact that the Democratic party's position on railroad rate legislation has a responsible godfather in the White House in the person of Theodore Roosevelt, I affirm that this bill would not be accepted on the floor of this House by the Republican Representatives here. [Applause.]

Mr. Chairman, I have no hesitancy in saying that the mind of the American Congress for ten years past, since the "Maximum Rate case," decided in 1897 by the Supreme Court of the United States, has been hypnotized, as it were—paralyzed—by the persuasive arguments of the railroad interests of this country. There is a class of newspapers in this country directly interested in this issue. These newspapers are owned wholly or in part by trust magnates. Whenever such paper voices any sentiment it voices the sentiment of its owner. Wherever a public man has permitted his mind to dwell upon that view of the case he can not eliminate from it the idea that this legislation is radical, socialistic, unjust legislation. Wherever public men have stocks and bonds in these great corporations, wherever they have intimate friends largely interested in them, wherever social ties draw them close, all these matters operate upon their minds to make them view legislation such as this as harsh, as socialistic, and radical. And the utmost they can say in derogation of it is that it is inspired by the Democratic party, and by William J. Bryan, and by WILLIAM R. HEARST, and by Democrats generally.

I accept that characterization for one member of the Democratic party, and I wish that my party at the last session of this Congress had offered to you Republicans a bill stronger than this, a bill like the Hearst bill, and forced you then to either accept it or vote it down. At this time a bill is offered to this House containing provisions controlling private car lines, terminal road evils, the iniquitous midnight rate, in addition to the rate-revising and rate-fixing power, and all of these salutary features were embraced last year in the bill introduced in March, 1904, by Hon. W. R. HEARST.

This bill is belated remedial legislation, but is acceptable upon the old ground "better late than never."

I say to you Republicans that if you had voted down such a bill in the Fifty-eighth Congress and were to vote it down in this Congress the cataclysm that upheaved Judge Parker and buried him under a 2,500,000 plurality vote would have been but a bagatelle to the earthquake that would have entombed the Republican party in the coming Congressional elections and in the Presidential election of 1908. This bill is a bill wrung out of your fears.

Now, Mr. Chairman, let me advert for a moment to the argument of the distinguished gentleman from Maine, and especially to the conclusion of that argument, an argument addressed to the monopolistic and capitalistic class in the United States; an argument addressed to their fears, to their apprehensions, and to their interests.

It is the criminally rich of this country, the predatory rich, the smug, hypocritical rich, who have extorted their moneys and filched them out of the pockets of people better than themselves, who principally denounce this proposed legislation. These are the people we are striving to reach by the legislation of this bill. Listen to the language of a railroad man, A. B. Stickney, president of the Chicago Great Western Railroad:

> They have distributed to the public billions of nominal dollars engraved on bits of paper, and thus have become the possessors of wealth. A few men have become enormously rich and conspicuous. They have speculated and boomed stock. They have built houses with the most expensive, luxurious furnishings. Nothing seemed of value which is not expensive.

I will not read the next two lines, but if gentlemen of this House would like to know what they contain, consult the pages of Juvenal and read his satires upon the practices of his age. In conclusion he says:

> These are the contributions which trade monopolies have made to present prosperity. Contributions of vulgarity, debauchery, and shame!

I have no hesitancy in saying that there is not a State in this American Union where the corporation element has not sought to interfere with the governmental organizations of the people. Where they have not endeavored to control the functions of the legislature, where their entire idea has been directed to arraying one man against another; and why? Because they have desired to seize hold of the legislative branch of the Government and then make laws in their interest and defeat laws that might be against their interest. I have great respect for that wealth accumulated by honorable means. It would stamp any man upon the floor of this House as unfit to hold a position here if a single statement escaped him aimed at the legitimate pursuit of this world's goods; but, sir, those who have acquired this wealth by corrupt means, those who have had their interests fattened by the abuse of their wealth, let me quote to them the language of a great lawyer of Pennsylvania, Judge Jeremiah S. Black:

> Mr. Black described the contempt shown by the railroad monopolist in his day just as it is shown to-day. He said that the corporation influence in official circles is "mysterious and incalculable," and that upon the subject of a popular demand for the enforcement of law "the press is shy" and the politicians are eager to take a smoother road than that which leads to conflict with corporation chiefs.
>
> Referring to railroad impositions, he said: "They have destroyed the business of hundreds for one that they have favored; for every millionaire they have made 10,000 paupers." He pleaded for the enforcement of existing laws and the enactment of new ones that would provide adequate protection to the public, saying that every one of these railroad magnates "can be trusted to keep clear of acts which may take him to the penitentiary."

The railroads claim to-day that they can best manage their properties; that governmental regulation is wrong. But the sole object of the railroads is that management that yields the most money.

> May we not, referring to these same claims, use the language employed by Jeremiah Black when in that same speech he said: "In whatever language they clothe their argument, it is the same in substance as that with which Demetrius, the silversmith, defended the sanctity of the temple for which he made statues: 'Sirs, ye know that by this craft we have our wealth.'"

No wonder they are opposed to this legislation.

Now, Mr. Chairman, I shall support this bill, but, in my opinion, it is greatly defective in several important particulars. It should provide some control of the classification of freight rates. It should specifically provide that this Commission should pass upon the reasonableness of an advance in price—of a contemplated rate—before it is put into execution. It should in addition to that provide that cars and all facilities for transportation be furnished by railroads to all upon equal terms, and that their refusal to furnish cars upon demand shall be a prima facie discrimination and throw the onus probandi upon the railroads to show that they are not at fault.

These are material amendments that should be made to this bill, and no bill should be permitted to go in legislation without these amendments.

Upon the general subject of classification, Mr. Chairman, and how the railroads can affect the freight rates by a mere transfer of a particular article from one class to another, much is shown by the report of the Industrial Commission, made to

the Senate and House four or five years ago, in the Fifty-seventh Congress.

I quote from such report, in part, as follows:

FREIGHT CLASSIFICATION.

Attention has been directed to the significance and importance of freight classification of late, by reason of the use made of it in the recent notable advances of freight rates throughout the country. Shippers have awakened to the fact that classification is a factor of primary importance in the making of freight rates. From a public point of view, the topic is important because the supervision or control of classification apparently was not contemplated by the original act to regulate commerce. The anomalous situation is presented, therefore, of a grant of power intended to prevent discrimination in freight rates, while at the same time provision for control over an important element in such rate making was entirely omitted.

And again:

Without recommending arbitrarily the necessity for a uniform classification of freight in the United States, it seems that under the complicated system which exists at the present time there ought to be some public supervision and control. There is absolutely none at present, as will be shown in detail in a subsequent chapter, dealing with the powers of the Interstate Commerce Commission. The mere adoption of a uniform classification, as proposed in the Cullom bill, can accomplish very little, unless with this there be coupled the proper legislation for the enlargement of the powers of the Interstate Commerce Commission in respect to the control of rates.

To show how railroads use the device of "classification" to raise rates I submit this further extract from the report of the Industrial Commission:

THE GENERAL FREIGHT RATE ADVANCES BY MEANS OF CLASSIFICATION CHANGES.

The long-continued and steady decline of freight rates since the civil war has given way in 1900 to a marked advance in the published rates. No similar attempt, with the exception, perhaps, of the year 1894, has been made to arrest, by concerted action of all the roads of the country, this progressive decline, due to a considerable degree, as it has appeared, to competition between the railroads themselves. The peculiarity of these advances of 1900 is that they have been made, not by direct changes of tariffs, but by modification of the freight classifications. Merchandise, as is well known, is thrown into various classes according to its value, bulk, risk, etc., and the charges are graded accordingly. Consequently the transfer of a particular commodity from one class to another may operate materially to increase the rate of freight charge. Thus, for instance, the freight rate from New York to Atlanta by any all-rail line is fixed by common agreement at $1.14 per 100 pounds.

The rate on second class is 98, on third class 86, on fourth class 73, etc. It is apparent that if goods—axes, for example—which were formerly fourth class, are by a change in classification made third class, this operates to increase the rates between these points specified from 73 to 86 cents. Moreover, since these classifications, as will be shown later in this report, are agreed upon by all railroads operating within each specified territory, a change of classification operates simultaneously to increase rates throughout the entire section. The same result may be attained also by changing classification according as the goods are shipped in carloads or less than carload lots. Thus, if a commodity was formerly classified as fourth class when shipped in carloads, and as third when in less than carload lots; if the distinction between these two classes of shipment be removed and all are classified as third, whether in large or small quantity, this likewise results in an increase of the freight rate to the large shipper by the difference in the rate between third and fourth class. Or, again, as will be shown, certain commodities are sometimes exempted from classification by a special or "commodity" rate, as it is called. This commodity rate is usually very much below the rate for classified merchandise. Thus corn by the Official Classification is sixth class, and the rate from Chicago to New York for that class is 25 cents. If, however, corn actually moves under a commodity rate of 17½ cents per 100 pounds, the cancellation of the commodity rate immediately operates to put corn in class 6, thereby raising the rate to 25 cents.

Among the general recommendations of the Industrial Commission was the following one:

(f) For a specific grant of power to the Interstate Commerce Commission over classification, both as to items and grouping.

Coupled with this, however, we dissent from the section of the so-called "Cullom bill" requiring the Interstate Commerce Commission within a certain period to promulgate a uniform classification for the United States. This is not intended to detract from the importance or desirability of greater uniformity in classification, but action to this end should be taken by the carriers on their own initiative.

In aid of this contention I offer an extract of a letter from Hon. R. Hudson Burr, a member of the Florida State railroad commission, with reference to the pending bill:

I see that it gives no supervision whatever over the classification. While this bill may prevent the railroads from raising or lowering a rate or freight tariff, it will amount to very little if the railroads are to be the sole judges of classification, for that has always been the favorite instrument in their hands for tampering with rates. It is possible to change whole tariffs almost by use of the classification, and it is done.

For instance, the Florida railroad commission when it first organized adopted what was known as "Southern Classification No. 25" as the Florida classification. In about two years' time the southern classification had been changed until something like 500 articles in classification No. 25 had been raised, and at that time the railroad commission revised the Florida classification, placing back the articles thus raised by the railroads, and adopted what was known as the "Florida Classification No. 1," and now we find that again each year, when the traffic managers have met for the purpose of going over these matters, they have raised items in the southern classification until it differs materially from our classification. If they used the Florida classification on interstate shipments into Florida, it would not affect us so badly; but where the southern classification is higher they use it, and if in a remote case an item should be higher in the Florida classification they would use that. In other words, they use that which results in the highest rate.

It seems to me that it would be farce to pass a bill enlarging the powers of the Interstate Commerce Commission in which they were given the right, where complaint is made of the unreasonableness of a rate, and after hearing, etc., to substitute in lieu thereof a just and reasonable rate to leave the classification entirely in the hands of the railroad people. The Commission should have supervision of the classification to the same extent that they are given supervision over the rate; that is, where an article is classed in a manner to make it unreasonable and unjust that upon complaint, investigation, and hearing the Commission should have the right, if found to be as complained of, to substitute in lieu thereof a reasonable and just classification of the article or articles complained of.

I shall offer an amendment at the proper time giving the Interstate Commerce Commission the authority and power over items and grouping, in order that the Commission shall have some disposition over classifications of freight, in this bill, as follows:

On page 10, section 4, line 15, after the word "regulations," insert the words "or classifications;" and after the word "regulation," in line 23, insert the words "or classification:" and on page 11, line 5, after the word "regulation," insert the words "or classification."

There is another amendment which this bill should contain. In the State of Florida the railroads, in the very midst of the shipping season of oranges, at one time advanced their freight rates, without notice, from 30 cents a box to 40 cents a box, an advance of 25 per cent. Such an advance in rates should be inquired into by the Commission before the railroads should be allowed to put the contemplated advanced freight rate into effect. The very minute an unreasonable freight rate goes into effect the rate has to be challenged and upon hearings it may be revised, but in the meantime the commerce of the country has been subjected to extortion. The Interstate Commerce Commission should have the power to determine the reasonableness of an advanced rate after notice and before it goes into effect. I shall offer that amendment as follows:

On page 6, line 6, after the word "force," insert the following:

"That when any notice of advance in rates, fares, or charges shall be filed with the Commission, the said Commission shall have authority to inquire into the lawfulness of such advance and make orders in respect thereof to the same effect as if such advanced rate, fare, or charge were actually in force. The provisions of this section shall also apply to notice of any change in classification of freight or other regulations affecting rates."

The pertinency of this proposed amendment is very apparent in reading this language from the report of the Industrial Commission made to the Congress four or five years ago—

The entire inadequacy of making rate regulation dependent upon the mere determination of rates as applied in the past without reference to the rates which shall prevail in the future is apparent on all sides. More than this, all remedy for the parties who have borne the burden of an unreasonable rate would seem to have been removed. This has been clearly described in the report of the Commission for 1897. It may be illustrated by the example of rates upon oranges. In 1890 there was a sudden advance on rates from Florida to New York from 30 to 40 cents. The Commission after an investigation ordered that the rate be reduced to 35 cents. As a matter of fact, how could this action redress grievances of those who had already paid 40 cents per box?

It was difficult, in the first place, to discover who bore the burden of the unreasonable charge; and, in the second place, it was certain that some of those who suffered could not legally sue in court. The actual shipper, who alone could sue for repayment of unreasonable charges, was a middleman who recouped himself in any event, either from the grower, the consumer, or both. He lost nothing by reason of the unreasonable rate. As a matter of fact, not any single individual, but the locality had been mulcted by 5 cents per 100 pounds, supposing that a rate of 40 cents was unreasonable. Experience shows that almost no shippers or other parties injured actually attempt to secure the restitution of moneys already paid for unreasonable charges. In only 5 out of 225 cases down to 1897 was a rebate actually sought, and in those cases $100 was the maximum sought to be recovered. As a matter of fact, the damage inflicted by the existence of such an unreasonable rate could not be measured by hundreds or perhaps by hundreds of thousands of dollars. The bearing of this citation is to show that any effectual protection to the shipper must proceed from adjudication of the reasonableness of rates *before*, and not *after*, they have been paid; that is to say, in advance of their exaction by the carrier. *Power to pass upon the reasonableness of such rates prior to their enforcement, as a consequence constitutes practically the only safeguard which the shipping public may enjoy.*

I shall offer a further amendment at the proper time that railroads shall be compelled to furnish facilities of transportation on equal terms to all shippers. That was a flagrant abuse of the coal trust in Pennsylvania, disclosed in the hearings before the Interstate Commerce Commission on the complaint of Mr. HEARST. There they would not give any independent operator cars. They had it in their power to break down any independent operator because the railroads were not only coal-carrying roads, they not only carried the article, but they owned the coal mines, or nearly 90 per cent of them.

This outrageous abuse ought not to be permitted, and at the proper time I shall, as I say, offer an amendment to prevent it, as follows:

That whenever any common carrier, subject to the provisions of this act, shall fail or refuse, after reasonable notice, to furnish cars to ship-

pers for the transportation of freight as interstate commerce, or to forward and deliver such freight at destination within a reasonable time, such failure or refusal shall be deemed to constitute unjust discrimination and undue and unreasonable prejudice and disadvantage, and in any case or proceeding pending before the Commission or any circuit or district court of the United States based upon such failure or refusal on the part of any such common carrier, proof that in the furnishing of cars or forwarding or delivery of its traffic other shippers have been preferred shall not be required.

The pending bill should contain a further amendment that in fixing just and reasonable rates no regard shall be had to inflated, fictitious capitalization of railroads. This "wind and water" should not enter as an element in determining the question of just and reasonable charges.

I shall at the proper time offer this amendment:

On page 10, section 4, line 22, after the word "charged," insert the following: "in determining and prescribing what is a just and reasonable and fairly remunerative rate or charge the Commission shall ignore all stocks, bonds, or other obligations of the carriers so far as such stocks, bonds, or other obligations represent amounts in excess of the fair value of the property of the carrier."

I desire to quote the following from the Washington Post:

IT IS ROOSEVELT'S MEASURE.

No matter what Democratic platforms have "demanded," no matter what Democratic statesmen may claim, President Roosevelt and the Republican party are going to get the credit or reap the odium of this railroad legislation. If the "doctrine" was in a Democratic plaform, it was hopelessly inert, absolutely innocuous. Roosevelt came along, prophesied upon the dry bone, breathed into it life, and the thing stood up, a thoroughly Republican and an entirely Rooseveltian "principle." And, besides that, it is altogether too adventurous to be at all Democratic.

It will not do, even for that able journal, to claim this rate bill on behalf of the Republican party of this country. I believe the distinguished gentleman from Pennsylvania [Mr. SIBLEY] and the distinguished gentleman from Massachusetts [Mr. MCCALL] are correct in what they say of the Republican party. I believe with the distinguished gentleman from Ohio [Mr. GROSVENOR], that staunch old-line Republican, who knows the history of his party faithfully and its traditions—one of the ablest men of this House. All these gentleman know and declare that the demand for railroad rate legislation is of Democratic origin.

The Republican party should stand where the gentleman from Ohio [Mr. GROSVENOR] stands; it should stand where the gentleman from Pennsylvania [Mr. SIBLEY] stands; its natural position is with the gentleman from Massachusetts [Mr. MCCALL]. Its doctrines do not belong on this side of the House, and I repeat it again, that were it not for the impress of Bryan on the Chicago convention in 1896 and the impress of Bryan and William R. Hearst and the Democrats in 1904, and if certain elections had not occurred last year and you had not become frightened and read, as you thought, the handwriting on the wall, you Republicans would have no legislation proposed on this occasion. [Applause.]

The question before this House and before the country is principally, Shall the railroads of this country, holding great instrumentalities for good and evil in their power, have the final say what the shippers of America shall pay, or shall the shippers of America have the power of their own initiative, through direct Congressional action, to dictate terms to these railroads, or shall this Government provide an administrative tribunal, impartial in its nature and intelligent in its composition, to decide these great controversies? That is the question, and the common sense of the country has forced Congress, this House—and I hope it will force those grave and reverend seignors somewhere else—to impress upon the statute books remedial legislation demanded by the country's interests. Now, Mr. Chairman, can it be held that the rebate is the only question at issue? Why, that is an important question, but it is a collateral matter. The one great, supreme question towering above all others is the rate-revising and rate-fixing power to be vested in this Commission. Some hedge off and say there is no trouble except the rebate question.

What was the Elkins rebate law? Legislation primarily to save money to the railroads. If that was not its direct intent and purpose, it was yet its direct effect.

I quote a clipping I have here, and I think it was taken from the report of the Interstate Commerce Commission. It throws a fine light upon the patriotic Elkins bill:

The object of the Elkins law was commendable. The abuses it corrected, as well as other greater evils, had been repeatedly condemned by the Interstate Commerce Commission and by many commercial organizations throughout the country. Still the important result of this Elkins law, from a railroad standpoint, was that it enabled the railroads to retain in their treasuries those large amounts of money which they had previously paid to favored shippers, and this probably accounts for the ease and celerity with which this legislation was enacted.

The main question at issue is not the rebate. It is the unjust, unreasonable, excessive, extortionate railroad rate itself.

Railroad interests make the flimsy statement that railroad rates are not too high and that in recent years they have not been advanced. I quote a competent authority against that statement of the railway interests. I quote Judge Prouty, a member of the Interstate Commerce Commission, fitted by experience to express an opinion. At Boston before the Economic League he made the following statement:

Nevertheless, there are actually pending before that Commission at present complaints where the only issue is the reasonableness of some advance in freight rates in which those advances add many millions of dollars to the net revenues of the companies which have made them.

Remember that those advances, if maintained, add, upon a 5 per cent basis, to the value of the railway twenty times the amount of the annual advance. I can say to you conservatively that the right to make the advances drawn in question by cases now pending before the Commission means more money than would be required to construct and equip every railroad in New England.

There is nothing small about the sum total involved in the advance in rates as thus stated. And at the Union League dinner at Chicago he makes this still more significant statement:

Not only is the railway itself the greatest monopoly by far, but it is the mother of countless monopolies. It is well understood that an advantage in the railway rate means life to one competitor and death to the other, and the advantage is not of necessity from the payment of the rebate. The boast of the Standard Oil Company to-day is that it takes no rebates. It does what is better than take rebates—it makes the schedule.

Mr. SIBLEY. Mr. Chairman, will the gentleman yield to a question?

The CHAIRMAN. Will the gentleman yield?

Mr. LAMAR. Certainly.

Mr. SIBLEY. I would like to ask, if I may understand his position, does not the gentleman think that this measure stops too far short of the real object sought to be attained, and that government ownership would be a better way of answering the popular demand than by attempting to control rates? Would it not be a more logical method, in his judgment, of procedure than to attempt to remedy the evils by a rate-fixing control?

Mr. LAMAR. I will say to the gentleman frankly, if I understand his question, I have formed no conclusions upon the question of government ownership of railroads. I mean by that that I have never arrived at that point in my consideration of this question where I thought I was in favor of government ownership. I know of no particular Democratic sentiment for it in my State. It has never been debated or discussed as a Democratic measure in Florida; but I will say to the gentleman that I believe if the American people had every railroad that has been built in America, over 200,000 miles, blotted out at one stroke of the pen to-day, to be restored to-morrow, and they were satisfied that neither this Congress nor any other Congress would ever pass this remedial legislation and they could never get it, then I believe the American people would vote that the Government construct its own railroads and operate them rather than that they be in the unfortunate position they have been in for many years and not be able under any circumstances to control the railroads in their extortionate rates. In an address made at Brooklyn by Mr. Justice William J. Gaynor, at a dinner of the local New England Society at the Nelson House, he used this language:

Some advocate the taking of the railroads by government. If the possibility of this experience we have had with freight rates had been foreseen, the Government would never have turned over these highways to corporations. But the resumption of them now would be a vast enterprise.

Mr. SIBLEY. I would like to ask the gentleman one more question. Does he believe that if that had been the case and the Government had originally constructed and operated these railroads, there would have been that magnificent development of our natural resources that is now witnessed on every hand and in every corner of our national domain?

Mr. LAMAR. Mr. Chairman, that question is beyond my capacity to answer. I detract nothing from the great intelligence, the great energy, and the great enterprise of the great railroad men of this country. I have no hesitation in saying that as a body they are as good as any other body in this country, in Congress or out of it, but I do say that they have too great a power—the taxing power on transportation—to have it intrusted permanently with these great corporations, because those corporations operate their cars over public highways. They have their private property impressed with a public use. They have a property that the Government can take away from them to-morrow by condemning and paying for it a fair compensation.

The Government is only resuming a part of its fundamental rights when it passes this legislation to control the tolls of these great public highways. These railroad men have too great self-interest, so to speak, to trust them with the sole power, with the destiny, the money, and the earnings of the shippers of this country. Now, Mr. Chairman, I have great respect for any intelligent class of educated specialists. I have great respect for some man who has given some study to something and knows a great deal more about it than I do, but

I have no respect and no patience with any pretentious claim on behalf of railroad traffic managers that they have any great superiority in this matter of fixing freight rates over any intelligent body, an administrative body of skilled experts, like the present members of the Interstate Commerce Commission, who decide a question only after hearings from both sides.

Now, listen to a little testimony before that Interstate Commerce Commission as to how these traffic manager experts fix rates. Why, you would imagine from the eulogies passed upon them by railway interests that there is great difficulty about their work, that it is something mysterious which the ordinary man can not understand or do. Here is Interstate Commerce Commissioner Prouty's testimony before a committee of Congress on that point:

As nearly as I can understand the claim of my railroad friends upon this branch of the case, it is this: The making of a railway tariff requires a peculiar mental quality. This quality is only possessed by an occasional specimen of the human species. The entire supply has already been taken up by the railways at extremely high figures, and hence the Government could not if it would and would not if it could procure that form of genius which is necessary to make or revise a rate schedule.

Nothing could be more absurd than the claim of the railways in this respect. We have in the past frequently interrogated the best of these traffic experts as to the methods by which they proceed. Not long ago one of them, when pressed with the consequences of the various answers he had given, stated that a traffic man made rates largely as the honey bee forms its cell, by a sort of instinct. Upon another occasion a traffic official who now occupies one of the most responsible positions of that kind in the country, after being questioned by the various members of the Commission as to how he arrived at a reasonable rate, said: "To tell the truth, gentlemen, we get all we can." That gentleman told the exact truth. The traffic official is paid to get all he can.

"Expertness" in railroad rate making is a "fake."

It is an invention to gull and hoodwink the people.

The most of it consists in—

(1) Put on all the rate in price that the traffic will bear.

(2) Cut the throat of your railroad competitor for business.

(3) By all means combine with rival railroads for "community of interest," and extinguish competition.

These simple rules of robbery constitute the great rate-making ability of railway traffic managers.

In conclusion, let me say that the opinions of one man or any one set of men, however intelligent they may be, will long influence from eighty-five to one hundred million of intelligent people against their own self-interest. Put it upon that ground, if upon no other, and the people of this country, in their State governments and in this nation, are determined that the people shall rule this country, control its Executive, control its judges, and control its legislators, free from corporate dictation and from corporate interference. I say, godspeed the capital of this country and godspeed to the railroad men, and may all their bona fide financial ventures prove profitable. We have a State, sir, that, in my opinion, is as conservative as any State in the Union. We have a State made up of northern and southern people, and a great deal of northern capital has been used in the State of Florida developing it, and I do not think the people of my district would tolerate my position upon this floor were I to make any general tirade against wealth or its acquirement or any general tirade against a man because he is rich and for no other reason, or against railroads merely as railroads. The people in my district in Florida, as in the whole State, are progressive citizens, up to the times, in my opinion, full of energy, and invite capital from all sections of this country into their borders for investment. I claim that the democracy of Florida is as conservative as the Republicanism of any other State. I claim that our Democracy is as loyal and true to the interests of all the people of this Government, rich and poor alike, as the Democracy of any other State.

Mr. SIBLEY. I do not wish to trespass on the time of the gentleman, but in the opening of his remarks he spoke of the rate on oranges from Florida to New York. The rate on oranges from California, as stated the other day, has been reduced to 80 cents, and to London or Liverpool to $1 a box, including the fast schedules and icing charges. What I would like to ask him is, if it does not strike him that it is unfair that for less than one-third of the distance the fruits of Florida should be charged perhaps from 50 to 60 per cent of the rate from California, where they must cross three ranges of mountains? And if that be the case, does it not follow that if we can pass this bill, compelling the oranges from California to stay there, the orange growers of Florida are going to have a better opportunity to market their products?

Mr. LAMAR. Mr. Chairman, that may or may not be so. Certainly it is not any self-interest that dictates my opinion upon this bill. If the terms of this bill——

Mr. HINSHAW. In reference to the question asked by the gentleman from Pennsylvania [Mr. SIBLEY], in view of the discriminations that exist under the present system, I would like to ask the gentleman from Florida if he does not believe a commission such as is constituted by this bill could do equally as well as the railroads do at the present time?

Mr. LAMAR. I have just read from the testimony of Mr. Prouty that traffic officials know no more about this matter than any other well-educated, intelligent man who has devoted any given time to study of it, and that one of them was complacent enough to say that he evolved his knowledge of rate making out of his inner consciousness. Another said, in effect, that he grabbed everything in sight. Now, between the two you read the truth. But one of the supreme reasons why I desire to see this legislation pass, and, while it is being passed, pass a bill remedial in all features and against all well-known and often-confessed abuses, is to take the railways out of the politics of this country. Let the railroad individuals, if they choose, urge their individual views. But it would seem there has grown up in this country—and there can be no doubt about it—an interference in public affairs and domination of public affairs, and a contest against public officials, springing out of the solidified power of corporate strength. It is against that that I speak. It is against that threat that I inveigh. It is to put the railroads upon a business basis in this country and make them business affairs, and compel them to let politics alone, that I desire to see this great question lifted out of the realm of discussion and put high and dry and secure from further agitation. That, sir, in my opinion will be as great an advantage to the country at large as will the passage of this bill to the shippers everywhere. I do not hesitate to say, and the newspapers of the country are full of it, and the people are conscious of it everywhere, that nearly all the political corruption in this country—municipal corruption, county corruption, State and national corruption—grows out of the interference of public service corporations in the politics of this country and with governmental agencies. It is too patent; it is too apparent. The passage by this Congress of a bill containing full remedial legislation against all railway abuses will largely take railroads and railroad interests out of active political interference with public legislation. [Loud applause.]

Railroad Rate Bill.

SPEECH

OF

HON. FRANKLIN E. BROOKS,

OF COLORADO,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, February 8, 1906,

On the bill (H. R. 12987) to amend an act entitled "An act to regulate commerce," approved February 4, 1887, and all acts amendatory thereof, and to enlarge the powers of the Interstate Commerce Commission.

Mr. BROOKS of Colorado said:

Mr. CHAIRMAN: Availing myself of the rules of this House and the opportunity thereby afforded, I desire, without consuming the time of the committee on the floor, to briefly set forth and make a part of the RECORD the reasons which are controlling with me on the question now before us. I shall support and vote for this measure and do so cordially, though not without some very grave apprehensions and misgivings.

After so much has been said on both sides of the pending question it would be idle for me to go into an elaborate discussion of the technical features of the controversy, even were I competent to do so. I prefer to set forth the reasons which govern my action broadly and on general principles, without especial attention to details and without attempting to predict the exact operation of the various phases of the measure.

At the outset let me say that I fully appreciate the magnitude of the interests involved. The forces of transportation, allied and interwoven as they are, constitute to-day the most stupendous fact in our industrial commonwealth. They have reached a point of development which is the amazement of the world. They have accomplished the apparently impossible, and in their own growth and expansion have contributed more than any other single cause to the growth and development of our industrial prosperity. From the time when Crassus controlled the grain transports of the Roman Empire until to-day, it has been true that he who controlled the methods of transportation of a nation controlled to an appalling extent its destinies, and the American railway system is the most striking example of that fact.

I appreciate what the disturbing of the immense sums invested

in these interests would mean. I appreciate the danger of tampering with an established order which has been, in its broader features and its main outlines, strikingly efficient and beneficial. It is beyond question, in my judgment, that the ability to fix rates as the laws of trade and as the conditions of industrial growth have required, has hitherto been a most important and beneficial factor in the growth of large areas of our country. No portion of the country has been benefited more from this growth of our transcontinental railways than has the West, and I represent a Western State. I do not question for a moment that the opening up and the development of that section, and the changing of the trans-Mississippi country from a grazing to a farming section, with highly intensified forms of agriculture, has been due almost primarily to the power to fix differentials and to the much-abused long and short haul.

The railroads have also doubtless done much, in establishing interior basing points, to decentralize the wealth and industries of our country and to encourage a symmetrical growth with wide-spread prosperity. The examples of these facts have been too frequent and fully cited during this debate to warrant a repetition on my part of specific instances.

I quite agree, too, in particular, with what has been said with reference to governmental ownership of railways and to the effect of the rate-making systems of France and Australia. I do not think it can safely be controverted that our own system is far preferable for the investor, the shipper, and the country at large, to any of those mentioned, but it seems to me that all this is, to a degree, begging the question. Just as evident as are the beneficent features in the American railway system is the fact that abuses have grown up in it, with it, and, to some extent, as a part of it. The tremendous power which the railway systems have acquired has reached a point where they stifle and eliminate competition and to-day, to a degree inconsistent with the continued safety of the business world, dominate our industrial system. No one pretends to deny that by the device of private car lines certain shippers have been able to obtain unfair and prohibitive advantage against their competitors. More than this, they have been able to exact from the consuming public unfair and sometimes extortionate rates, because of this crushing out of competition that the railway abuses have made possible. No one seriously denies that by the use of terminal lines, switching charges, and similar devices unfair advantages have been obtained by other shippers. Examples of these facts also have been too frequent. Feeding on favors such as these, favored corporations have grown, expanded, and reached towering heights, until they have overshadowed and overwhelmed their fellows, and the greatest trusts of to-day stand forth as the shining examples of what the perversion of the power of the railways and the abuse of their facilities can do when manipulated by unscrupulous and powerful hands (although when wisely applied they are vastly beneficent to whole areas).

With the power of $11,000,000,000 centered in a relatively small number of hands, with the tremendous influence that the control of transportation has given them, railway managers would be more than human if they did not sometimes err and if some evils had not crept in. This power is too great to be intrusted to individual hands without some guiding and controlling force to serve as a check and a restraint. I thoroughly believe that these evils are the excrescence and the incident and not the essential factor of our American railway system to-day. I believe that they should be corrected and remedied, and it seems to me that the pending measure will do something to bring about this result. I do not believe it will stifle individual initiative or that it will take the control of the roads from the hands of their owners. I do not suppose that it is perfect. I have yet to see the perfect work of human hands, but its passage does not put it beyond the power of correction. It would be a strange argument to advance any opposition to the enactment of remedial legislation designed to correct flagrant and dangerous abuses to say that the legislation itself might not be the best possible remedy and, therefore, no remedy should be applied. Time will demonstrate wherein this measure may be improved; but if no remedy is invoked, time will also shortly demonstrate that some of those who are now suffering from the evils complained of are beyond help, and some of the abuses will be far more difficult of correction as time goes on. Most of all do I dissent from the proposition that the bill is a step in the direction of State ownership. Indeed, I believe it is just the contrary, and this is one of the weighty reasons because of which I shall give it my support. If anything will bring about Government ownership of railways in this country, it is the continued and uncorrected abuses that the people suffer from; it is a disposition on the part of managers not to give heed to the honest and proper demands of the public and a want of any regulating and supervisory power. The cry of socialism has no terrors in this connection, but I fear, and believe that there is reason for the fear, that if some step similar to this be not soon taken then an outraged public, goaded to excesses, will adopt courses and initiate policies which will restrict individual initiative, will take the control of the railroads from their owners, will be subversive of private development, and will be the beginning of State ownership.

The new Commission gives very little, if any, power not exercised by the old Interstate Commerce Commission during the first few years of its existence, and the functions which the Commission formerly exercised in no way hindered or obstructed the development of our great railway companies. It distinctly does not give the right of initiative to the Commission, and it seems to me that not enough has been made of this point in the debates.

It is a narrow distinction, perhaps, but it is to me clear-cut and well-defined. It is, moreover, a most important distinction. It is for the roads themselves to say whether or not they shall expose themselves to an attack which a fair-minded, intelligent Commission, acting without fear or favor, would sustain. So long as they do this they need have no fear of the Commission, and it seems to me that a few decisions by the Commission will have a most positive and salutary effect in restraining further abuses, and in guiding both the shipping and transportation public into paths of fairness and rectitude. That any drastic, far-reaching system of rate overhauling will be initiated by the Commission is too remote to be considered. The stupendousness of the task itself appalls the human imagination. It is not the result under some remote and improbable conditions which we should consider in determining our action, but what is the rational, probable, and necessary general scope and effect of the course we propose taking. I thoroughly believe that the effect will be beneficial both to the shipper and to the roads.

There is a vast difference between the function intrusted to the Commission provided for by this bill, with the supervisory and regulative power of the courts always ready to be invoked to prevent excess, and the stifling, paralyzing, retrogressive influence of the French rate-making commission. If I thought that the result of the pending measure would be to inaugurate a system in any way approximating that commission, nothing would induce me to lend it my support. It is important, however, that we recognize the fact that evils exist and it is weak and unworthy of us not to make an honest and fair-minded attempt to remedy those evils simply because they are difficult of correction. These evils will not diminish because we shut our eyes to them. They will be no more easy to meet next week or next year, and the sooner the problem is honestly solved the less injury will be inflicted.

We have here a simple bill, reasonably clear in its terms, specific in its operation, the execution of which is to be committed to a body of trained, expert men who, without doubt, will be selected with great care from those most competenf in the country to perform such duties. There is no warrant, in fact, for the belief that they will be otherwise than careful, prudent, and conservative in their conduct. I have too much faith in the integrity and adaptability of the American people to believe that this Commission will not meet the situation developed by this legislation properly and fairly for all interests concerned. The steadying effect of great power continued for a long period, splendidly evidenced in our higher Federal courts, will certainly bring about similar results with such a Commission, and I do not fear unfortunate results from its operation.

The question of constitutionality of the act I am willing to intrust to the thorough study and careful attention of the trained legal minds who have devoted so much attention to it, knowing always that their conclusions are subject to review and to judicious determination if there are any errors.

There are other reasons which to those of us on this side of the Chamber should appeal with great force. Our leaders have made this measure a party issue. We have gone before the country pledged to its enactment. The President, with the tremendous force of his moral convictions, with the intense earnestness of his nature, and with an unquestioned and unquestionable desire to work out the highest good of the people, has urged in the strongest manner possible his own reasons for this action. I am very glad to say that to me these commitments have great weight, and I am willing to resolve whatever doubt I may have with regard to the present expediency of this legislation in favor of it, because of this support that has been given it.

In a question such as this I think we may do well to follow with confidence the lead of the President, who, more than any man in recent times, stands for the needs of the common people and the fulfillment of their just, fair, and proper desires.

Indeed, I believe that none of the distinguished services that our present President has rendered to the people, when seen in perspective, will appear more striking and will have a more lasting and beneficial result than his action in crystallizing and clarifying public sentiment in this matter. We have talked railway rates in a desultory way for a good many years. There has been a keen consciousness that something was wrong; but there has been a vague, uncertain, unclarified attitude of the public mind with reference thereto. It has remained for Mr. Roosevelt, with his strong, direct, positive action, with his clear apprehension of the wrong and his common-sense view of a practicable and available remedy, to focus the public thought and transform what was hitherto a grumble of discontent into a strong, intelligent demand for prompt remedial action. I am glad, therefore, to lend whatever support I can to his efforts in this behalf.

Let me repeat, that in my view there is involved in this position nothing antagonistic to vested interests, nothing revolutionary, nothing subversive of our established industrial system, nothing really prejudicial to the interests of the railway companies themselves, and nothing which we as Representatives, having in mind the needs and requirements of the people, should not willingly accept. In so doing I know that I am voicing the strong public sentiment of the people whom I represent. I know that in so doing I am taking the course that they almost universally approve, and I believe that, in its essence, their judgment is sound and their views correct.

The Statehood Bill.

SPEECH

OF

HON. RICHARD BARTHOLDT,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, January 25, 1906,

On the bill (H. R. 12707) to enable the people of Oklahoma and of the Indian Territory to form a constitution and State government and be admitted into the Union on an equal footing with the original States, and to enable the people of New Mexico and of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States.

Mr. BARTHOLDT said:

Mr. CHAIRMAN: I voted for the rule and shall vote for the bill. In determining my course I permitted the more important questions involved in the statehood proposition to overcome my objections to what must be regarded, in comparison with the main issue, as a minor detail. But I would be unfaithful to my convictions and unmindful of the principles I have cherished all my life if I failed to enter my emphatic protest against the provision which puts Indian Territory under the ban of prohibition. To my mind prohibition is slavery. It is subversive of recognized individual rights, and therefore undemocratic and un-American. Indeed, the question may be fairly asked, Which is the more objectionable, an arrangement which places a man's person under another man's control, or a device by which the exercise of inalienable individual rights is prevented by State authority? The right to eat and drink what you please is not one of those natural rights which the individual is called upon to surrender on becoming a member of civilized society, because its exercise involves neither a moral wrong nor an injury to his neighbor, and this is the reason why those who are ever bent on interfering with the personal habits of their neighbors have never dared to advocate laws prohibiting these habits directly or to deny their rightful exercise. They try to accomplish their purpose by indirection. Therefore prohibition means nothing more and nothing less than to prevent citizens from exercising a privilege which in itself is both legal and moral, and must hence be regarded as an undeniable and inalienable human right. I hold this to be a violation of every sound American doctrine of government and am certain that this House or Congress would never sanction it as an independent proposition.

It is needless to repeat here that prohibition never prohibits. Wherever it has been tried practical experience has demonstrated it to be a lamentable failure. It is because you can not correct human habits and change human nature by legislation, because you can not by invoking the physical power of the State do what education and refinement alone can accomplish. Take the Indian Territory for an example. The excesses committed there, so far as they are traceable to the excessive use of intoxicants, were a direct result of prohibition, because it renders the use of the light and healthful beverages, such as wine and beer, impossible and induces people clandestinely to procure the strong drinks that can easily be concealed. This is the case wherever prohibition is in vogue. It proves conclusively that prohibition does not mean temperance. Instead of promoting the cause of temperance it invites and encourages intemperance and excesses. I believe in temperance, Mr. Chairman, and those who have known me here for thirteen years know that I live up to that belief. Moreover, I sympathize with any movement which has the promotion of temperate habits for its object and with all good people who honestly strive to uphold the cause of moderation. But prohibition and prohibitionists do not belong in that category. They may mean well, but the movement long ago proved abortive and the people engaged in it are misled. Their remedy is wrong and vicious in principle and has proved ineffective in practice.

A little more than half a century has passed since the first prohibition law, the so-called "Maine law," was enacted. During this period prohibition has been introduced in a number of States—in some as a general measure, in some in the form of local option only. In some States the prohibition laws were, after a few years' trial, repealed, and in others it was attempted to prevent the sale of intoxicating beverages, or at least to reduce it to a minimum by high license.

And what is the result of all this legislation? Everyone knows, except those who do not want to know, that all legislative measures of a prohibitive character failed most disastrously in the very object which they had in view, namely, in preventing the use of intoxicating beverages. Invariably the result of prohibition was an increase in the use of ardent spirits and a decrease in the use of lighter drinks, especially beer, the mildest and most harmless of all alcoholic beverages. Prohibition created the most profitable fields for the sale of alcohol under the name of patent medicines, or bitters, or essences. Recent revelations have shown that some of them are stronger than whisky; the drugs which they contain render their indiscriminate use much more dangerous to health than plain whisky. Is it possible to believe that those who use them do not know that they drink alcohol?

Almost simultaneously with the establishment of prohibition came the establishment of the "speak easy," the "blind pig," the "blind tiger," and similar institutions with similar euphonious names; a new industry, that of the "boot legger," made its appearance; the druggist became a lawbreaker, the physician and his patients became hypocrites—the latter feigned disease and the former feigned belief and prescribed—public officials became corrupt, and the contempt in which the liquor laws were held extended to the law generally.

Bribery and blackmail became common, public and private morals suffered, and the self-esteem of the citizens sank.

In the census year 1890 the number of prison inmates in the United States was 82,290, or 1,315 for each 1,000,000 of inhabitants, but in Kansas the rate was 1,351 for each 1,000,000 of population. In Maine the rate was only 774, but in view of the fact that the rate in Minnesota was 619, in Wisconsin 603, Nebraska 619, there is nothing for Maine to pride herself on.

Moreover, all the prohibition States except Vermont showed in 1890 a decided increase in the number of prisoners over 1880. Massachusetts, which greatly limits the number of saloons, shows 2,335 prisoners for every 1,000,000 of inhabitants, almost twice the average.

But that is not all. If the following figures show anything, they show that prohibition has a tendency to retard the growth and development of States. The population of the United States in 1890 was 62,622,250; in 1900 it was 76,303,387, a gain of 21.80 per cent. The population of the prohibition States was as follows:

State.	1890.	1900.	Increase.
			Per cent.
Maine	661,086	694,466	5.05
New Hampshire	376,530	411,588	9.29
Vermont	332,422	343,641	3.37
Iowa	1,911,896	2,231,853	16.73
Kansas	1,427,096	1,470,495	4.00
North Dakota	182,719	319,146	75.00
South Dakota	332,808	401,570	22.00

With the exception of the Dakotas, the prohibition States remained far behind the average in increase of population. South Dakota shows 1 per cent above the average, but it ceased to be a prohibition State in 1896, and the great increase of the population of North Dakota remained far behind its increase in the previous decade, when it was 278 per cent.

Prohibition was everywhere followed by a slower growth of

population. In Iowa the increase between 1870 and 1880 was 36 per cent; in the following decade it sank to 17.66, and then to 16.73. The population of Kansas increased 173 per cent between 1870 and 1880, only 43 per cent between 1880 and 1890, and only 4 per cent between 1890 and 1900.

Reversely, the influence of prohibition on the growth of population is shown in Rhode Island. Her population increased 18 per cent between 1850 and 1860. In 1863 prohibition was abolished, and the following census showed an increase of 25 per cent.

During the same periods the population of the nonprohibition New England States had a healthy growth above the average.

It is a remarkable fact that of the three Commonwealths of the Union which ever suffered a decrease of population two were prohibition States, namely, Maine and New Hampshire, and they suffered their loss during an intense prohibition agitation between 1860 and 1870. The third State—Nevada—is a mining State, with an insignificant, naturally shifting, and fluctuating population.

To countenance these conditions and to assist their growth and duration by the passage of the Hepburn-Dolliver bill would, in my humble opinion, be a grave error.

I am not quite clear in my mind which kind of would-be reformers are the more dangerous, those who blindly stick to a theory or dogma without studying the effect of its application in practical life, or those who look only upon the surface of the phenomena of practical life without forming any theory as to their cause and effect. Be this as it may, the prohibitionists, who belong to the former class, seem to act upon the principle that the whole country may "go to the dickens" if only their dogma is saved.

How it is possible, in view of the almost unanimous testimony of post commandants and officers of the United States Army to the injurious and demoralizing effects of the abolition of the canteen, to still object to its reestablishment passes my comprehension. Vile resorts have grown up in the neighborhood of the posts like mushrooms, where the vilest liquors are served to the soldier, who otherwise would be content with the glass of beer which he got in the canteen. He associates in these resorts with the most degraded class of women, and as a consequence desertions, courts-martial, and loathsome diseases have fearfully increased, discipline is weakened, and the physical and moral health of the soldier ruined. The testimony is collected in a volume of over 500 pages in House Document No. 232, entitled "The Sale of Beer and Light Wines in Post Exchanges. A letter from the Acting Secretary of War," etc.

Only a short time ago, J. H. Burton, Inspector-General of the Army, reported 6,533 desertions from the Army in that last fiscal year—that is to say, one out of every nine soldiers deserted. No army in the world equals that. Among the principal causes he states: "No beer to be had in the post exchanges."

In the last report of the Surgeon-General of the Army I find, in Table A, a comparison between the prevalence of certain diseases in the American and the foreign armies. In the American Army there are 25.50 cases of acute alcoholism and delirium tremens in every 1,000 cases of sickness; in the Prussian army there are 0.9; in the Bavarian, 0.19. That is to say, that there is in the American Army more than a hundred and fifty times as much alcoholism as in the German. Yet in all German barracks are canteens, and in Bavaria, the beer country of the world, beer forms a part of the daily diet of everybody, the soldiers included.

In the Philippine Islands the condition is even worse, the rate of alcoholism among our soldiers being 37.50.

In a letter to Major Seaman, Army surgeon, a prominent officer, stationed at Peking in 1901, expressed himself very pointedly and satirically on the subject, as follows:

> The Woman's Christian Temperance Union would have no fault to find with the post here. The men go outside and get drunk on sam shui in town and go to sleep in back yards or other worse places, but the sanctity of the Government reservation is maintained. The Germans have a "bier halle" on the wall at Hartaman gate. The Japanese have their canteen. The British have one in their grounds, and bring their beer to their tables. The French soldier has his little bottle of wine at dinner. We alone are virtuous. We are the advocates of reform. We are the great hypocritical hippodrome—none like we.

As to the condition on which it is proposed to admit Oklahoma and the Indian Territory into statehood, it is seriously to be considered whether such a proceeding would not be a violation of the principle underlying our form of Government. True, there are precedents. Kansas was admitted upon the condition that it would not permit slavery and Utah was compelled to give up polygamy. The slavery question, however, was a question of life and death to the Union, and the modern civilized world is unanimous in the condemnation of polygamy. The miserable and petty question of prohibition can not be compared in importance with the slavery and marriage question. Besides, the condition can not be enforced. The law provides for the admision of States, but not for their expulsion. If, after the admission of a new State, its citizens should determine to use their right of legislating for themselves in a sphere which properly belongs to the State, and should abolish prohibition, who can prevent them?

Aside from the legal and constitutional reasons for not insisting on prohibition, there are the well-known practical reasons against it. Prohibition prevails in Indian Territory now, but even the strong arm of the Federal Government is unable to entirely suppress the illegal sale of liquor, and most certainly it can not prevent the use of substitutes, some of which are quite nasty and far more injurious than whisky. A correspondent of a St. Louis paper recently wrote from Tulsa, Ind. T., among other things, as follows:

> To satisfy a thirst for a thing that can not be had men that are addicted to the use of alcohol will go to any extreme. Many have lost their lives in trying to quench their thirst. Some have been shot down by United States marshals, while others have resorted to patent medicines, lemon extract, red ink, extract of ginger, or any compound that had for its base alcohol. Hardly a week passes without some poor man, and occasionally a woman, leaving the world by one of these routes. Patent medicines are good sellers, especially if they are part whisky. Varnish, where corn alcohol is used, is a favorite drink, especially among the painters, the body of it being first allowed to precipitate.

Varnish; that is the thing! Give civilization an outside coat of varnish by prohibition, and make people drink the stuff so as to give it also an inside coat. It is all sham, this sumptuary legislation, anyway, and the best thing which Congress could do would be to wash its hands of it and not sacrifice its dignity to the injudicious schemes of theorists, who utterly refuse to gain a knowledge of life from its practical side.

Whether a man will use alcoholic beverages or not is solely a matter of his individual concern, and any interference by legislation is an interference with his personal liberty. This it would be even if prohibition would prohibit, which it does not. Men have used alcoholic stimulants during past centuries and will use them for many centuries to come. Perhaps it would be wise to influence their choice in a reasonable and discreet manner, and the only proper legislation for that purpose not below the dignity of our National Legislature would be fiscal legislation that would have a tendency to cause a substitution of the milder drinks, such as wine and beer, for the strong ardent spirits. The encouragement of wine culture might prove a moral and economic blessing to some parts of our country; a wise discrimination in fiscal legislation between ardent liquors and fermented malt beverages may popularize the latter and promote real temperance. But nothing is more dangerous than coercion or repression by the force of law in matters which, according to the general prevailing sentiment, belong to the domain of the individual will. We live in a democratic country and in a democratic age. The individual will demands not a limitation, but rather an extension of its sphere, and the spirit of liberty rebels against the application of a theory which makes everybody a judge of what is good for a man except that man himself.

In the short time allotted to me it is impossible to go more fully into this subject, but let me say just a word in regard to the pending bill. If the provision to which I have called attention became a law, the white citizens of Indian Territory, as well as the Indians, would for the next twenty-one years be denied the opportunity of securing even the lightest kind of beverage for their family tables. Their personal rights would be curtailed to this intolerable extent by a mandate of Congress. Is there a single man within the sound of my voice who does not see the absurdity of such a proposition? While granting them the independence and sovereignty of statehood with one hand, are we not putting the chains of slavery around their necks with the other? Is this not erecting the gallows alongside of the liberty we feign to grant them? Surely it would be a repetition of the amusing demonstration in 1848 of which history tells us, when the unsophisticated peasant subjects of the Grand Duke of Hesse shouted: "Long live the Republic! Long live the Grand Duke!" in the same breath. If the good people of Indian Territory should fail to rebel against this tyrannical attempt on the part of Congress to dictate to them in a matter which is and should be their own affair, then I am greatly mistaken in their character and manhood. It was Abraham Lincoln who said, "You can not create a State half slave and half free," and if ever an American Congress or the people themselves should so far forget American traditions as to ignore the injunction handed down to us in these truthful words, then the Supreme Court of the United States will no doubt give them renewed force and effect. [Loud applause.]

Philippine Tariff.

EXTENSION OF REMARKS

OF

HON. NICHOLAS LONGWORTH,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Friday, January 12, 1906,

On the bill (H. R. 3) to amend an act entitled "An act temporarily to provide revenue for the Philippine Islands, and for other purposes," approved March 8, 1902.

Mr. LONGWORTH said:

Mr. CHAIRMAN: I submit the following letters as a part of my remarks delivered on Friday, January 12, 1906:

THE ANTI-IMPERIALIST LEAGUE,
20 Central Street, Boston, January 13, 1906.

Hon. NICHOLAS LONGWORTH.

DEAR SIR: Your speech yesterday has given great gratification to those who have always opposed the annexation of the Philippine Islands. I trust the inclosed measure, which has been introduced into the House in two or three forms, as well as in the Senate by Mr. CRANE, may have your support, as no date is suggested for the independence of the islands, the intention of the resolution being to obviate the objection made to our avoidance of the responsibility supposed to be assumed in the matter should we abandon the archipelago to the possible greed of other nations. I wonder if you will allow me to suggest that, in spite of the childlikeness which appears in many of the Filipinos whom you have met, there are a good many men of solid character, intelligence, and education among them who perhaps had to be rather sought out by members of the Congressional party seeming to be under the guidance of the Secretary, who has rather committed himself to stifling all discussion of the subject. We know and have been in more or less connection with a very large number of such persons, and although undoubtedly there might be ups and downs and periods of chaos, the elements exist which would in a very little while come into control and give the Filipinos a satisfactory and reasonably orderly government. The contention can hardly be disputed, as Mr. John Fiske, the historian, has asserted, that no nation ever succeeded in self-government unless by its own independent evolution, nor had even been led on to it under any foreign tutelage whatever.

Pardon the intrusion to the immense interest which we have in the subject and the very sincere sympathy and gratitude we feel for the advanced position you have taken.

I am, your obedient servant,

ERVING WINSLOW, *Secretary.*

WASHINGTON, D. C., *January 16, 1906.*

ERVING WINSLOW, Esq.,
Secretary the Anti-Imperialist League,
No. 20 Central Street, Boston, Mass.

DEAR SIR: Your favor of the 13th instant is at hand and contents carefully noted.

You state that my recent speech on the Philippine tariff bill has "given great gratification to those who have always opposed the annexation of the Philippine Islands," and ask my support for the resolution introduced into the Senate by Mr. CRANE, which provides, in effect, that the President shall be requested to open negotiations with other nations to secure the neutralization of the Philippine Islands. I confess, most respectfully, that I fail to see in what respect my remarks may have pleased the members of the Anti-Imperialist League or in what respect I may have given grounds for anyone supposing that I would support this resolution.

I took particular pains to say that in my opinion to-day and for the life of the present generation, at least, the Filipino people are absolutely incapable of self-government, and stated the two characteristics of the Filipino people that render them, in my opinion, incapable, to wit, a lack of appreciation of the duty of the public officer to the people and their utter lack of a conception of the dignity of labor. I used this language: "Until the Filipino people shall have proved themselves capable of forming these two conceptions it would be, in my mind, nothing short of a national crime to turn the islands over to them, for it could do nothing else, even with all the safeguards of an international treaty of neutrality, but condemn them to almost immediate anarchy and bloodshed." In my opinion those Filipinos who argue that they are ready for immediate independence, provided this Government negotiate an international treaty of neutrality, convict themselves of incompetency to form a government by their own statement. They rest their whole cause on the statement that there are two classes in the Philippines—the directing class and the obeying class. These gentlemen, if they had their way, would form a government most obnoxious to those who believe in free institutions.

You state in your letter that there are a good many men of solid character, intelligence, and education among the Filipinos. I agree with you perfectly. I myself met many men whose friendship I would be proud to claim; scholars and men of ability and character who would be noted and respected men in any country, but from not one of them did I ever hear the statement that the Filipinos were ready for self-government or would be for years to come.

You say that Secretary Taft "has rather committed himself to stifling all discussion of the subject." The truth of that statement I deny absolutely. There was not a moment of our stay in the Philippine Islands that Secretary Taft and every member of his party were not glad to hear any statement that any Filipino chose to make; in fact, Secretary Taft at all times urged any Filipino who had any complaint to make against the government or any criticism of the acts of any public officers, or had views on any subject of interest to the Filipinos, to appear and state them. Day after day we were in session, morning and afternoon, in the ayuntamiento. The hearings were public and anyone who had anything to say was welcome. Your statement that Secretary Taft sought to stifle discussion is untrue, and is unfair to a man who has the interest of the Filipino people at heart far more than any member of the Anti-Imperialist League.

Permit me to say, in closing, that I wholly and absolutely disapprove of every step and every action taken by the Anti-Imperialist League from its inception, and that I wholly and absolutely approve of the policy of the Government of the United States toward the Filipinos since our occupation there. I am not in favor of holding the Philippines forever; I do not favor holding them longer than we are in honor bound to do. In my opinion we are in honor bound to hold them and to govern them until the Filipinos shall have proved themselves capable of self-government. I fear that will be a long time. I am sure that it will not come during the present generation of Filipinos. I fear that an intelligent public sentiment will only appear in generations yet unborn. I may be wrong. I hope I am. I hope that the present policy of the United States will bring about the substantial and needed changes in the condition and capacity of the people sooner than I believe it will, but in the meantime to do anything else than what we are now doing would be, in my opinion, a national crime.

I have the honor to be, very truly, yours,

NICHOLAS LONGWORTH.

THE ANTI-IMPERIALIST LEAGUE,
20 Central Street, Boston, January 15, 1906.

Hon. NICHOLAS LONGWORTH.

DEAR SIR: Having the advantage to-day of reading the report of your speech in the RECORD, I see that the efforts of the translator of the Philippine memorial presented in the Marble Hall at Manila last August seem to you a subject of criticism. May I submit to you a fair translation of the first two paragraphs which you quoted in your speech?

"It is undeniable that in the Philippines there exists a sufficient number of what is called 'the ruling class,' a small part of which is at present in the government employ in all the branches of its administration, cooperating with it actively and effectively in its governmental labors.

"If the Philippine Archipelago has a governable mass, adapted to obedience, and a ruling class able to exert command, it has conditions for self-government. These, without counting incidental exceptions, are the two elements which determine the political capacity of a country—a body which knows how to govern, 'the ruling class;' and a body which knows how to obey, 'the popular mass.' The culture of the ruling class and that of the popular mass of the Filipinos, strictly and relatively, is harmoniously adjustable."

The sentence which you compare with Mark Twain's style, in a proper translation reads as follows:

"The fact that the Filipinos lack such immortal figures as those of Washington and Jefferson does not make them unfit for self-government. There are independent nations wonderfully civilized, established in a political liberty, without having nurtured citizens of such stature. Cuba and Panama, yesterday declared republics of the same North America, can not boast the memories of such great men."

If you and your colleagues approached the Filipino mind no more closely that by judgments formed upon a casual interpreter's conception, it may account for a certain lack of sympathy and comprehension. It may interest you to know that in many of the collegiate debates, for which we are constantly supplying material on the question of the retention of the Philippines, the decision in favor of abandonment of the islands has been given in consequence of the ability and quality of the testimony (properly translated) given at the Marble Hall. Had you placed yourself in contact with such men as Sandiko, Barretto, and Guerrero you would have found a large class of persons quite equal in capacity and intelligence with those who have taken service with the Government and superior to them, of course, in ideals of patriotism and the principles of liberty.

I am, your obedient servant,

ERVING WINSLOW, *Secretary.*

WASHINGTON, D. C., *January 18, 1906.*

ERVING WINSLOW, Esq.,
Secretary the Anti-Imperialist League,
No. 20 Central Street, Boston, Mass.

DEAR SIR: Since writing the inclosed letter, bearing date of January 17, I have received your letter of the 15th and have carefully noted its contents.

I am not altogether surprised to note that since reading the report of my speech in the RECORD you see my views in a different light than you did from the somewhat meager report published in some of the newspapers.

You say in your letter "if you and your colleagues approached the Filipino mind no more closely that (than?) by judgments formed upon a casual interpreter's conception, it may account for a certain lack of sympathy and comprehension." You seem to forget that in addition to this printed memorial we listened to addresses from a number of gentlemen upon the subject therein contained. In fact, as I remember it, the session lasted not less than five hours. The statement was specifically made by these gentlemen that all their views and the views of those whom they assumed to represent were contained in this pamphlet. In fact, if my memory serves me right, they said that it was their creed.

I used in my remarks the exact words of the pamphlet for this reason. The translation of some portions of the pamphlet which you have submitted to me I have no doubt are correct, although I am not a student of Spanish, but the exact phraseology in which their arguments are clothed makes absolutely no difference in this case. Phrase the argument how you may, the very basis of their contention that the Filipinos are now in a condition to govern themselves is the fact that there exists among the Filipinos two separate and distinct classes—a small class competent to direct and a large class competent to obey. In other words, they advocate the proposition that the classes shall govern the masses. The fact that almost in the next breath they refer to Russia as a free state is significant of the kind of government that they would form if they had their way.

You further state: "It may interest you to know that in many of the collegiate debates, for which we are constantly supplying material on the question of the retention of the Philippines, the decision in favor of the abandonment of the islands has been given in consequence of the ability and quality of the testimony (properly translated) given at the Marble Hall." I have not had the privilege of listening to any of the "collegiate debates" referred to; but if any American, even though he be a college boy, has argued in favor of class government in a republic or has commended freedom as it exists in Russia I confess I am surprised.

The Philippine bill has just passed the House of Representatives.

It was passed by the votes of those who believe that this Government should do all it can to benefit the Filipinos materially and to uplift all classes, including what you style the "obeying class," mentally and morally. As one of those and as one who sincerely admires their many good qualities and does not condemn, but pities, their many bad ones, I say, and I say it with the deepest conviction, that to adopt any other policy than that which this Government is now pursuing toward the Philippine Islands would be a grave national blunder. To turn the islands over to the Filipinos to govern for themselves at this time would be a national crime.

I do not court any newspaper controversy with the Anti-Imperialist League, but, in view of your misapprehension of my position, and with the desire that it shall not further be misapprehended, I shall feel at liberty to make this correspondence public.

I have the honor to be, yours, with great respect,

NICHOLAS LONGWORTH.

The Statehood Bill.

REMARKS

OF

HON. HENRY D. FLOOD,

OF VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, January 26, 1906,

On the bill (H. R. 12707) to enable the people of Oklahoma and of the Indian Territory to form a constitution and State government and be admitted into the Union on an equal footing with the original States, and to enable the people of New Mexico and of Arizona to form a constitution and State Government and be admitted into the Union on an equal footing with the original States.

Mr. FLOOD said:

Mr. CHAIRMAN: I am well aware that it is a futile waste of time to offer any objections to the passage of this bill. That matter was settled on yesterday when the resolution reported by the Committee on Rules was adopted. That transaction was among the most flagrant exhibitions of arbitrary and despotic power ever witnessed in the American Congress. The effect of that resolution was to enable the Republican majority in this House to force a vote upon the statehood bill at 3 o'clock to-day without further debate, motion, or amendment.

It is the cloture or gag-law proceeding in its most obnoxious form. It is an infamous proceeding to rush through an infamous measure. That measure is to admit by one bill four Territories as two States; to join together Oklahoma and the Indian Territory as one State, and Arizona and New Mexico as one State.

The proceeding is infamous, because it strikes down the right of debate and amendment in the American Congress, where the representatives of the people have the right, or ought to have the right, to discuss public measures affecting the interests of their constituents, and to offer amendments to such measures. It is an infamous measure, because it forcibly joins together as one State the two Territories of Arizona and New Mexico, whose people do not desire to be thus united, and who by dissimilarity of race, religion, language, customs, and civilizations ought not to be united—two populations that are totally unhomogenous. The people of New Mexico are of the Latin race, or of mixed Latin and Indian, while the great majority of the people of Arizona are Americans, of Anglo-Saxon descent.

I know, as I have said, that it is a waste of time to protest against this enormity. I take that back. It is a futile attempt, but it is not a waste of time. It can never be a waste of time to sound a note of warning against the action of an arrogant majority in trampling under foot the freedom of speech, the right of debate in this House; and by their action in forcing an alliance of these Territories against their will, and thereby trampling underfoot the great principle enunciated in the Declaration of Independence that "all just government rests upon the consent of the governed."

The American people are not indifferent spectators of what is transpiring in this House to-day. That it will meet with their approval, I can never believe. That the disregard with which the majority treat not only the right of debate on this floor, but the right of the people of the Territories to be heard as to the conditions upon which they shall assume statehood, will incur the frown of the American people, I verily believe. That this arrogant and insolent majority will be awakened from their dream of security by the thunders of the ballot box is a thing that I confidently expect to see.

Consider for a moment what it is that we do in passing this bill. We scout the idea that a people have a right to be heard in the formation of a government that shall regulate their political and domestic concerns.

There has been a labored effort to show that in numerous instances Territories have been invested with statehood upon political considerations and not in deference to the wishes of the people of the Territory. But I venture to say that no instance can be found where statehood was forced upon a Territory under such conditions of violent opposition and vehement protest as exist in Arizona. The incontestable fact before this House is that with almost absolute unanimity the people of Arizona—men, women, and children—are opposed to being united with New Mexico as a State. This fact is not gainsaid: it is not pretended to be controverted; it can not by any audacity of contradiction be denied. Two gentlemen, Republicans both, have stated on this floor that they voted two years ago for joining these Territories in one State, but since that time they have visited Arizona and discovered such a universal antipathy among the people to the jointure that they have changed their minds and will feel constrained to vote against the bill. The people of Arizona have sent to Congress protests against this jointure—this outrage, as they call it—from the press, from the pulpit, from the business houses, and actually from the schoolhouses. The idea of a political and domestic union with New Mexico is abhorrent to them. They are white-featured Americans—Anglo-Saxons. The people of New Mexico are dark-hued Latins and a mixture of Latins and Indians. Mr. Chairman, the great dramatist in the tragedy of "Othello" describes Desdemona as wooed by the dusky Moor with tales of thrilling adventure that he poured into her ear. He told his story of battles, sieges, fortunes, of moving accidents by flood and field; and so won her assent to lay his head upon that breast whiter than snow, and smooth as monumental alabaster. But very different from that picture is this. Here the fair American maiden scorns an alliance with the dusky Mexican, and the latter is even indifferent to the charms of the fair scorner.

Mr. Chairman, I maintain that the people of these Territories have a right to have their wishes consulted in this matter of uniting them into one State. The Constitution of the United States provides (Art. IV, sec. 3) that no State "shall be formed by the junction of two or more States, or parts of States, without the consent of the legislatures of the States concerned." I contend that by a parity of reasoning no two Territories ought to be joined to make a State without the consent of the people of the respective Territories. The principle that underlies both propositions is the same, the fundamental principle that "all just government rests upon the consent of the governed."

Let me ask why should not Arizona be permitted, at the proper time, to enter the Union as a separate State, instead of being forced against her will in conjunction with New Mexico? She is not asking to be admitted now. She has on several occasions in the past knocked at the door of the Union, but on those occasions partisan politics declared that her case was not that of the invitation in scripture, "Knock, and it shall be opened unto you." But whenever she asks to come in, and fulfills the requisites of sufficient population, sufficient resources, and sufficient area, it will be the duty of Congress to admit her as a separate State, and not coerce her into an abhorrent alliance with a dissimilar and uncongenial people. She has now a population of 150,000, larger than that possessed by twenty States at the time of their admission into the Union. Her resources of agriculture are good and are rapidly improving year by year, while her mineral and mining resources are enormous. And as to area, she is more than three times the size of any State east of the Mississippi River. And yet this bill unites as one State this immense Territory with another Territory of equal if not greater dimensions. The two Territories of Arizona and New Mexico together form an area of such expanse that to simply give the figures that express its dimensions is to demonstrate the impropriety of admitting them as one State. They are together larger than the original thirteen States, leaving out North Carolina. The distance across them by a line diagonally connecting the extreme corners is greater than the distance from New York to Chicago; greater than the distance from the Virginia Capes to the Mississippi River. Think of that—greater than from the Atlantic Ocean to the Mississippi.

It has been said in the course of this debate that in addition to the barriers of race, religion, customs, and civilizations which separate these two Territories nature has interposed an almost impassable barrier of mountains, a spur of the Rocky Range.

Mr. Chairman, you and every Member of this body must have often noticed and admired the graphic and animating fresco by Leutze that adorns the wall as you go up the stairway that leads to the House gallery above. It is entitled "Westward Ho," and represents a caravan of pioneers journeying to the far West before the days of railroads. The adventurers have just attained the top of the Rocky Mountains and are gazing in rapture on the vision that opens to their view toward the setting sun. One is represented as standing on a rock that forms the

highest pinnacle. If we may suppose this caravan to be crossing the spur of the Rockies that separates these two Territories, what would this man on the pinnacle behold? Looking back over the region through which he had journeyed, there would lay a land stretching far beyond the limit of human vision—for 500 miles to Oklahoma. Looking to the west, there would lay a land stretching an equal distance of 500 miles to where the Colorado River empties into the Gulf of California—practically to the Pacific Ocean.

Mr. Chairman, is it not an enormity to admit this immense area into the Union as a single State?

And yet, Mr. Chairman, great as this enormity is, how can we be surprised at it? Is it not the disregarding of an implied, if not the express, provision of the Constitution to join together two reluctant and unwilling people? But is it not being done by the same party that dismembered the State of Virginia and by a Cæsarian operation gave birth to the State of West Virginia, with a zigzag line of separation between what was once a homogeneous and happy State? The Republican party does not hesitate to divide an unwilling people into two States; it does not scruple to unite into one two dissimilar, uncongenial, and discordant peoples.

The Statehood Bill.

REMARKS

OF

HON. ROBERT W. BONYNGE,

OF COLORADO,

IN THE HOUSE OF REPRESENTATIVES,

Friday, February 26, 1906,

On the bill (H. R. 12707) to enable the people of Oklahoma and of the Indian Territory to form a constitution and State government and be admitted into the Union on an equal footing with the original States, and to enable the people of New Mexico and of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States.

Mr. BONYNGE said:

Under the rule adopted by the House general leave to print remarks on the statehood bill has been granted, and I desire to take advantage of that permission. While, generally speaking, I do not approve of the custom, I think it is fully justified in the present case. Debate in the House upon the bill under the rule governing its consideration was purely pro forma. The bill was not open to an amendment of any kind or description. The only purpose that could possibly be served by the debate was to enable Members to express their views upon the pending measure and to give their reasons for their action upon the bill. That purpose can be served equally well by printing the remarks in the RECORD, and I therefore have no hesitancy in availing myself in this case of the privilege granted.

I do so for the purpose of stating the grounds of my opposition to the bill. I shall content myself with a very plain and brief statement of my objections to the measure. It was a matter of deep regret to me that I found myself in opposition to a majority of the Members on the Republican side of the House. I took consolation, however, in the fact that in pursuing the course I did I was in accord with the oft-repeated platform utterances of the Republican party through its national conventions.

Oklahoma and Indian Territory are unquestionably entitled to immediate admission into the Union. If the question concerning those two Territories could have been separated under the rule, it would have been found that the House was unanimously in favor of the admission of Oklahoma and Indian Territory. There is no objection to the jointure of those two Territories. Indian Territory is not an organized Territory, and, furthermore, by the act creating Oklahoma it is expressly provided that portions of Indian Territory may from time to time be attached to Oklahoma. It is also well understood that a majority of the people of both Territories are in favor of the jointure of the two and their admission as one State.

The objection to the bill under consideration is to the jointure of Arizona and New Mexico without giving to the people of each Territory the right to express their wishes separately upon the proposition. Such action is contrary to the established custom which has prevailed from the foundation of the Government to the present time. No other action of this character has ever been taken.

Congress has the undoubted power to do what it will in regard to the government of Territories. Precedents have, however, been established which have great moral weight and force, if not the binding effect of a legal obligation. No Territory has ever been forced into the Union against the wish of its people. Territories have for many purposes been regarded as embryonic States. The autonomy of Territories has been as uniformly and as sacredly regarded as the autonomy of the States. In the case of Arizona, in addition to the force of precedents, we have the express and direct assurance given to the people of that Territory in the organic act creating it that the people of the Territory should be permitted to retain a Territorial government until such time as they were ready for statehood.

Arizona was originally a county of New Mexico, and was formed as a separate Territory by the act of February 24, 1863. In the organic act creating the Territory we find the following language:

Provided further, That said government shall be maintained and continued until such time as the people residing in said Territory shall, with the consent of Congress, form a State government, republican in form, as prescribed in the Constitution of the United States, and apply for and obtain admission into the Union as a State on an equal footing with the original States.

It was a direct and express promise and agreement made by the Congress of the United States to the people of Arizona that their Territorial government should be maintained until they were ready for admission into the Union as a separate State, and that promise has been in force and recognized for forty-three years. It may be said that this Congress can repeal that portion of the act. Certainly it can, but such action would be a violation of good faith to the people of Arizona. For forty-three years the people of that Territory have understood, by the language of that act, that they had the right to develop their own institutions and their own resources along such lines as they might determine upon, with the promise on the part of Congress that when they had reached a sufficient stage of development they would be admitted as a separate State of the Union. They have acted upon that promise and that agreement. It can not be violated now without doing a gross injustice to the people of the Territory.

They are not now asking for statehood. They simply ask that that guaranty and promise made to them and recognized for such a long period of time shall not be ruthlessly withdrawn and broken. Surely every consideration of fairness under all of these circumstances would prompt Congress, it seems to me, to permit them at least to vote upon the question whether or not they desire to have their Territory annexed to New Mexico, and to respect their wishes in the matter. The bill under consideration does not provide for such submission of the question to the people of Arizona and New Mexico separately gives them no separate voice in the matter whatever, and the rule under which the bill was considered prohibited the House from even offering or considering such an amendment to the bill.

Under those circumstances, and if no other objection existed to the bill, I should have felt compelled to vote against it.

There are other reasons, however, which have great weight with me. I deplore the fact that some evidence and some suggestions of sectionalism have unfortunately crept into the discussion of this measure. There is not, and never can be, any feeling of sectionalism between the people of the East and the West, or between any two sections of our common country. Such feeling between the East and the West is wholly without any sort of foundation. The people of those two great sections of the country are bound together by ties of interest, of friendship, and of kinship. The majority of the people of the West are of eastern extraction and education. We take pride in the growth and development of every State and every section of the country. We do not envy the wealth that we see many of the Eastern States accumulating, but rejoice in the fact that every portion of the country is prospering. We have contributed in no small degree to the general development of the country, and especially to the wealth of the Eastern States. We have cheerfully supported policies of government which in our judgment have helped to develop the great manufacturing industries of those prosperous Commonwealths. We know that in time under the same policies our own States and Territories will grow and develop. We do not charge the people of the East with antagonism to western interests, but we do feel that many of them have but little comprehension of the possibilities for the future greatness of the western portion of our country, particularly of that section which is generally known as "arid America."

We can not help recalling, when we hear the doleful prophecies about the future of the mountain region, that similar statements were made about each of our western acquisitions. The Louisiana Purchase, the acquisition of Oregon Territory, and the purchase of Alaska were each and all regarded by many of the ablest men, both in public and private life, at the time of such acquisitions as great blunders and mistakes. The prophets

of misfortune of those days predicted that those sections of the country would never reach a stage of development that would justify the creation in such sections of new States to be admitted on an equality with the original States. The marvelous growth of the country west of the Mississippi River is now a matter of history. In the light of what has transpired we might reasonably expect the people of to-day to learn from the experience of the past. Some of our eastern friends do not seem to. They seem to be as totally ignorant about the possibilities of the Rocky Mountain section of the country to-day as were their forefathers of a generation or two ago. I will not, in this connection, enumerate the resources of New Mexico and Arizona. They have been most ably presented by others in the course of the limited debate on the bill. In my judgment, there is unquestionably assured to each of those Territories a future that will in time, if not at present, entitle them to admission as separate States of the Union.

Population is not and never has been the sole criterion by which the right of Territories to admission to the Union has been determined. Even if it were so, each of these Territories—New Mexico and Arizona—have a greater population to-day than had many of the populous States of the Union at the time of their admission, and they each have to-day a greater population than some of the present States of the Union. It is possibly true that some of the Western States may have been admitted before they were ready for admission, but there is not one of them that will not in the future amply justify the faith and the confidence that was placed in them. Every one of them will demonstrate its right to separate statehood and there will be no star on the flag of which any portion of the country need ever be ashamed. They may not all become populous States, but we never can expect to have the population of the States even approximately equal. It is not the theory upon which States are formed. In the case of New Mexico and Arizona, every consideration of justice prompts me to vote against their jointure except by the consent of a majority of the people of each Territory. I certainly will not, by my vote, cast any discredit upon that great and growing section of the country, of which my State and city is the commercial center.

If these Territories are not now ready for admission, they can and are ready to wait until such time as the Congress believes them to be entitled to come into the Union as separate States. Arizona is not asking for admission at the present time, and that fact must not be overlooked. It simply asks the right, as do also many people of New Mexico, to express their wish upon this important question at the polls. Home rule is a cardinal principle of our Government. Congress established Arizona as a separate Territory and gave it, as I have shown, the guaranty that that Government should be maintained until a State government was formed. It is unfair, after permitting them for forty-three years to enjoy this guaranty, to take it away without their consent. Give the people of Arizona and of each of these Territories an opportunity to vote upon the proposition at the polls. That is the American way of settling all disputed questions. It is fair; it is just.

Because it is denied to them and for the reasons I have stated, I am opposed to the passage of the bill in its present form.

Railroad Rate Bill.

SPEECH
OF
HON. SAMUEL W. SMITH,
OF MICHIGAN,
IN THE HOUSE OF REPRESENTATIVES,
Wednesday, February 7, 1906,

On the bill (H. R. 12987) to amend an act entitled "An act to regulate commerce," approved February 4, 1887, and all acts amendatory thereof, and to enlarge the powers of the Interstate Commerce Commission.

Mr. SAMUEL W. SMITH said:

Mr. CHAIRMAN: I intend to vote for this bill. The paramount question is, What ought to be done; what can be done; what is best for all concerned? And in this connection we ought to consider the interests of the people and of the railroads with equal fairness and justice, for we all must admit that the railroads have proved a powerful agency in the development of this country, and to pass any legislation that would not carefully safeguard the affairs of all would be unwise and fraught with danger.

I believe the bill ought to be amended in several particulars.

It is to be regretted that the Committee on Interstate and Foreign Commerce feels that it would jeopardize the final passage of the bill to permit any amendments.

A similar bill was passed by the House in the closing hours of the last Congress. It has been frequently asserted that it did not become a law because it had not received sufficient consideration.

During the months which have intervened between the last Congress and the present time each of us has been receiving an unusual amount of reading matter bearing upon all phases of this subject, and as a result we have been reading more or less, thinking, and discussing this proposition with the sole end in view of trying to formulate some legislation that would meet the exigencies of the case, and for several days we have been entertained with forcible and able arguments, a debate the like of which has not been had in this body for many years. What has all this been for, except to better inform ourselves and aid the committee in perfecting this very important legislation?

I appreciate the great difficulty of formulating a bill that would meet the wishes of all and I clearly understand that all legislation is, to a greater or less extent, the result of compromise.

There seems to be a divided opinion upon the part of the members of the Interstate and Foreign Commerce Committee as to whether or not the bill is broad enough so as to bring within its provisions the express companies and the Pullman Car Company. For one I do not believe that it does.

In view of the experience of the past in connection with this all-important legislation, why not incorporate in this bill language so plain and unmistakable that there shall be no cause for equivocation in the future?

I think I am correct in stating that the framers of the original legislation sought at least to bring the express companies within its provisions, but in Interstate Commerce Commission Report (vol. 1, p. 349), in the matter of the express companies, Commissioner Walker used this language:

> Express business, conducted by an independent organization, acquiring transportation rights by contract, held not to be described in the act with sufficient precision to warrant the Commission in taking jurisdiction thereof.

And this contention of Commissioner Walker was sustained in an opinion in United States *v.* Morsman (42 Fed. Rep., 448), in which Justice Thayer said:

> Express companies, independently organized as corporations for the transaction of the express business on their own account, are not subject to the provisions of the interstate-commerce act.

And in Southern Indiana Express Company *v.* United States Express Company (88 Fed. Rep., 659) Judge Baker says also:

> The interstate-commerce act does not apply to independent express companies not operating railway lines.

And so, on page 3, after line 13, of this bill, I would insert:

> The provisions of this act shall be held to apply to all the services rendered by so-called "express companies" in the receipt, handling, transportation, and delivery of property as aforesaid.

I am quite sure this would obviate any further difficulty, so far as express companies are concerned. And who can give a satisfactory reason why they, as well as the Pullman Car Company, should not be brought within the terms of this bill?

So that there may be no question in the future as to what we intend to do regarding the Pullman Car Company, on page 3 of this bill, line 4, I would strike out, after the words "facilities of shipment or carriage," and insert these words, "for the transportation of passengers or property."

There is still another abuse grown up in this country which, I think, should be corrected at this time by an amendment to this bill, and that is the practice on the part of railroad companies of charging $30 for a thousand-mile mileage book, retaining the $10 for several months or a year, until the mileage is used, and then, in most cases, returning $10.

In Michigan some of the roads have recently adopted another course, whereby they only return $9.75, keeping 25 cents, alleging that this is done to pay for the cost of the cover of the mileage book. In this connection I would like to insert in the RECORD, as a part of my remarks, some extracts from the Philadelphia Inquirer, a journal which is boldly and fearlessly making this fight in the interests of the people:

[From Philadelphia Inquirer, January 6, 1906.]

SAY MILEAGE BOOKS TIE UP MUCH CAPITAL—STRONG PROTEST AGAINST PENNSYLVANIA RAILROAD'S PRACTICE IN DEMANDING DEPOSIT.

At a joint meeting last night of the passenger traffic committee of the Merchants and Travelers' Association and the railroad committee of of the Travelers' Protective Association, a strong protest was voiced against the practice of the Pennsylvania Railroad in requiring a deposit of $10 in excess of the regular price upon every mileage book purchased from it.

Gustav Daniel, chairman of the meeting declared emphatically that by forcing its patrons to make deposits on this transportation the Pennsylvania Railroad had virtually entered into the banking business, and that commercial houses all over this State had thousands of dol-

lars tied up in mileage books they had purchased for their representatives on the road.

Attention was called to the fact that by insisting upon a deposit the Pennsylvania Railroad was enabled to have at its disposal a vast amount of money that really did not belong to it; that it could draw interest on it or invest it or do whatever it pleased.

CANVASSING BUSINESS MEN.

Mr. Daniel announced that a canvass was being made of business men in order that their sentiments regarding the money demanded by the railroad might be brought to the attention of the proper officials. He said that already hundreds of business men throughout the State had voiced their disapproval of the practice. He said that hundreds of protests were pouring in every day from business men, which it was the intention of the joint committee of the Merchants and Travelers' Association and the Travelers' Protective Association to present to the officials of the Pennsylvania Railroad in crystalized form. He added that a thorough canvass of the commercial interests of the State would be made before this action was taken in order that those interests might be represented in their entirety, when the committee waited upon the railroad officials.

Mr. Daniel said that efforts had been made in the past by the Merchants and Travelers' Association and the Travelers' Protective Association, each of which has a large and influential membership in the business world, to induce the Pennsylvania Railroad to withdraw its deposit requirement, but without avail.

SENTIMENT IS WIDESPREAD.

"We have already sounded the business interests of the State," said Mr. Daniel, "and we are confident that this time we shall be able to make the officials of the Pennsylvania Railroad realize how strong and widespread is the sentiment against its requiring a deposit upon its mileage books. We shall present the sentiment of the business interests of Pennsylvania to those officials in such a form as ought to cause them to understand that the patrons of the Pennsylvania Railroad regard such a deposit as an unnecessary and costly burden imposed upon them without rhyme or reason.

"In our interviews with the officials of the railroads heretofore we have been informed that the $10 deposit in excess of the regular price required upon the books was a sort of guaranty that the restrictions the railroad desired to impose upon those who used such books would be lived up to. We were also informed that the railroad expected to prevent 'scalping' and the loss thereby of a dollar or two on a mileage book.

COMMERCE BIGGER THAN RAILROAD.

"Surely we can say that the commercial interests of a big State like Pennsylvania are paramount to the danger of a railroad, even the Pennsylvania Railroad, losing a couple of dollars now and then.

"The requirement of deposits upon a mileage book is a serious proposition to the big commercial houses which have scores of representatives on the road all the time and must needs carry a large supply of mileage books. For instance, there is one firm that has $5,000 tied up in deposits on mileage books of the railroads. The Pennsylvania Railroad deprives this and other commercial houses of the use of thousands of dollars by its insistence upon its patrons making deposits upon mileage books. I need not say that the railroad has considerably the best of such an arrangement, while its patrons, particularly the bigger commercial houses, suffer greatly from inconvenience and expense of having large amounts of money tied up."

[From Philadelphia Inquirer.]

SECRETARY BROWN FLAYS PENNSY'S MILEAGE SCHEME—DEPOSIT SYSTEM COMES NEAR BANKING BUSINESS; "WHY NOT PAY INTEREST?" HE SAYS—CAN FIND NO LAW TO JUSTIFY IT.

[Special to the Inquirer.]

HARRISBURG, PA., *January 10, 1906.*

Maj. Isaac B. Brown, secretary of internal affairs of Pennsylvania, declared to-day that a railroad which demands a cash deposit in addition to the actual price of a mileage book is acting "in violation of at least the spirit of the constitution."

Major Brown quotes those provisions of the constitution of Pennsylvania which prohibit corporations, and particularly common carriers engaging in any other business than that for which they are incorporated.

The railroad which demands a $10 deposit from each purchaser of a mileage book, thereby accumulating "hundreds of thousands of dollars and undoubtedly millions," is "dangerously near the banking business."

SUGGESTS "INTEREST ON DEPOSITS."

"Proper regard for the depositors," he adds, "would suggest the payment of interest on deposits."

Major Brown has been the head of the State bureau of railways for seventeen years. He is a member of the executive committee of the National Association of Railway Commissioners, and is regarded as an authority on railway matters.

In commenting to-day on the movement inaugurated by the business men of Philadelphia to urge the Pennsylvania Railroad to abandon its demand for $10 deposits on mileage books, Secretary Brown said:

"Many years ago a thousand-mile mileage book was placed upon the market for $20, and was very generally approved and used by the traveling public. This was the voluntary act of the common carriers, and may be presumed to indicate, from the common carriers' point of view, a reasonable charge for such a mileage book.

"It is alleged that some of the purchasers of these books violated the contract contained in the book, and on account of this a deposit, as required by the new book, was demanded, equal to 50 per cent of the previous $20 charged, this deposit to be retained by the railroad company or traffic association until the book was fully used, and then the deposit to be returned to the purchaser under certain conditions.

WHERE DO THEY GET THE RIGHT?

"Where does the common carrier get the right to make such a demand?

"The demanding of $10 additional as a deposit from each purchaser of a book and the retention of the same for months, and in many cases for a year, must be either legal or illegal.

"If the charter of a corporation or the laws authorizing the same confer the right to make such demands, then the act is a legal one. If, on the contrary, the accumulation of hundreds of thousands of dollars, and undoubtedly millions, as a deposit from the purchasers of mileage books is not authorized by law, then the act is an illegal one.

"If we turn to section 6, Article XVI, of the constitution, we will find the following:

"'No corporation shall engage in any business other than that expressly authorized in its charter.'

"Again, in section 5, Article XVII, of the constitution, we find the following:

"'No incorporated company doing the business of a common carrier shall directly or indirectly engage in any other business than that of a common carrier.'

"It will be seen, therefore, that the restriction upon these corporations are explicit and easily comprehended. Is the holding up of millions of dollars from the channels of trade, as is done in the demands for a deposit on mileage books, not an engagement in a business other than that of a common carrier? It is dangerously near the banking business, and proper regard for the depositors would suggest the payment of interest on deposits.

NO LEGALITY.

"Where does the right come from to make such a demand? Certainly not from any law, directly or indirectly, and if such law existed it would be in violation of the constitution above quoted. Why should there be such a drainage on the financial affairs of commerce? What is there to justify it?

[From Philadelphia Enquirer, January 20, 1906.]

MERCHANTS UNITE IN MILEAGE FIGHT—LEADING ASSOCIATIONS DECIDE TO SEND STRONG PROTEST LETTER TO RAILROADS—EASTERN COMPANIES MADE TARGET OF POWERFUL TRADE ORGANIZATIONS AT JOINT MEETING.

With the sending of a sharp, incisive letter to the Pennsylvania, Delaware, Lackawanna and Western, Lehigh Valley, and Chesapeake and Ohio railroads, stating the attitude of the various trade bodies throughout the city with regard to the mileage matter, the war upon the $10 excess payment was launched in earnest last night.

A joint committee was appointed to take charge of the details of the fight. An aggressive chairman was elected. It was decided to send hundreds of petitions to various towns in the State, so that thousands of business men may have an opportunity to go upon record against the excess charge. The most important action of all, however, was the decision to send the letter throwing down the gauntlet to the railroads.

While the phrasing of the letter will not be given out for publication until some time to-day, it is known that the representatives of the trade bodies have not dealt gently with the excess-mileage question. They have pointed out the injustice of the demand for the deposit of $10 from each purchaser of a mileage book of 1,000 miles. They have urged that the object of the demand is to enrich the railroads at the expense of the traveling public, and that the time has come when some attention must be paid to a much-needed reform.

MERCHANTS IN EARNEST.

At times the arguments at the meeting of the joint committees of the trade bodies, held in the rooms of the Merchants and Travelers' Association, Thirteenth and Market streets, last night, were decidedly trenchant and heated. It was finally decided to place the matter before the railroads in a manner that will make its appeal to selfish self-interest.

As a result of this decision the railroads that compose the Trunk Line Association, including the Pennsylvania and the others previously mentioned, will be made aware, upon the receipt of the letter, that their own interests depend in a large measure upon their attitude in the mileage matter. It is pointed out that the trade bodies of this and surrounding cities are now aroused; that business men have resolved to divert freight and passenger traffic from the roads that act ungraciously.

Aside from the representatives of the Merchants and Travelers' Association there were present at the meeting representatives of the Commercial Exchange, the Travelers' Protective Association, and the Philadelphia Paper Stock Dealers' Association. J. P. Helfenstein, secretary of the Shamokin Board of Trade, sent a letter telling the committees they could count on his support, as did also the Erie Chamber of Commerce and the Business Men's League of Mechanicsburg.

From Mechanicsburg also there came the return of the first of the petitions sent out by the Merchants and Travelers' Association. It was filled with hundreds of names of persons who have the excess-payment fight at heart.

NAMED ADVISORY BOARD.

As soon as the joint committees settled down to work they decided to elect Gustave Daniel chairman of the joint committees, and named an advisory board consisting of the following: Frank S. Evans, president of the Merchants and Travelers' Association; R. R. Boggs, chairman of the Travelers' Protective Association; J. P. Collins, and Fred Macintyre.

After it had been decided to draft the letter to the railroads one of the representatives present called attention to the efforts being made by the association known as the "Homeless Twenty-six," of Pittsburg, one of the most powerful organizations in that city, composed as it is of 18,000 of the most influential business, traveling, and professional men there, to have the excess payment declared illegal.

It was stated that the "Homeless Twenty-six" had just requested the State secretary of internal affairs to test the legality of the excess of $10 on the mileage books, and it was decided that the action of the Pittsburg organization should be indorsed and supported.

DRUMMER WRITES MILEAGE LIMERICK.

The following letter, with the appended Limerick, has been received by N. B. Kelly, secretary of the Trades League:

NYACK, N. Y. *January 16, 1906.*

Mr. N. B. KELLY, *Secretary, Philadelphia, Pa.*

MY DEAR SIR: Kindly hand inclosed to the reporter for the Inquirer who published my views on "1,000-mile refund tickets."

I am pretty busy, but find time to read Philadelphia newspapers, and am glad to see there is "something doing." "Keep the ball a-rolling."

This week I am traveling along Hudson River at 2 cents a mile flat on New York Central, West Shore, and Ontario and Western.

Sincerely,

ALFRED S. GOODWIN.

UNANIMOUS OPINION OF THE DRUMMERS.

There once was a man named Cassatt,
Who swore he would always "stand pat,"
And get his ten dollars,
No matter who "hollers,"
But we know he can't always do that.

In this connection and in order to correct this evil I would amend by inserting at the end of line 19, page 3, of this bill, these words:

It shall be unlawful for any common carrier or carriers subject to this act to charge, demand, accept, or receive, for the transportation of passengers as aforesaid, for the sale of so-called "mileage books," any sum in excess of the actual value thereof; no deposit shall be required from the purchaser of any such "mileage book," and no refund shall be made to such purchaser except for unused mileage.

[Applause.]

If this amendment fails, I would suggest inserting at the same place in the bill these words:

It shall be unlawful for any common carrier or carriers subject to this act to charge, demand, accept, or receive, for the transportation of passengers aforesaid, any sum in excess of 2 cents per mile of such transportation: *Provided*, That the Interstate Commerce Commission may, from time to time, upon full hearing and for good cause, authorize a higher charge per mile for such transportation.

During the course of this debate the distinguished gentleman from Ohio [Mr. GROSVENOR] has given notice that at the proper time he would offer the following as an amendment to this bill, which I heartily indorse:

No president, director, officer, agent, or employee of any railroad, or other carrier of freight, and which is engaged in interstate commerce, shall be interested, directly or indirectly, in the furnishing of material or supplies to such company or in the business of transportation as a common carrier of freight or passengers over the works owned, leased, controlled, or worked by such company. Upon complaint and satisfactory proof of any violation of this provision such Commission shall order that the offices so held in violation of this act shall issue an order to such corporation to declare the offices or position so forfeited vacant, and to fill the places so vacated as is provided for in the organization and by-laws of such corporation.

In support of this amendment I desire to submit the following letter from Logan M. Bullitt, president of the Red Rock Fuel Company, Torresdale, Philadelphia:

RED ROCK FUEL COMPANY,
Torresdale, Philadelphia, January 23, 1906.

Hon. SAMUEL W. SMITH,
Washington, D. C.

DEAR SIR: The Red Rock Fuel Company is the owner of over 4,000 acres of valuable coal lands on the line of the Baltimore and Ohio Railroad in Upshur County, W. Va., which it is endeavoring to develop. In pursuance of this purpose it has opened its mine, constructed a tipple, and built a side track from the tipple to the right of way of the Baltimore and Ohio Railroad (some 4,000 feet), and is in a position to make large shipments of coal if it receives the same treatment that the Baltimore and Ohio accords to other shippers of coal on its line of railroad, viz, a connection between the tracks of the Baltimore and Ohio Railroad and its side track.

Nearly one year ago the Red Rock Fuel Company made an application to the Baltimore and Ohio Railroad Company for such connection, agreeing to pay the entire cost of the same, and pointing out that it had been the practice of the railroad for years to furnish such connections to persons or corporations desiring to ship coal from lands adjacent to its lines on the terms offered by the Red Rock Fuel Company.

This request was met by a prompt refusal by the Baltimore and Ohio Railroad Company, and with a further statement that it would not grant the connection requested, nor permit the Red Rock Fuel Company to become a shipper of coal if it could prevent it, on the ground that it (the Baltimore and Ohio Railroad Company) had more coal for transportation than it had facilities to carry it; but the real reason, as found by the Interstate Commerce Commission, as hereinafter set forth, was that the Baltimore and Ohio Railroad Company owned a controlling interest in various coal companies along its line of railroad, which companies ship the bulk of the coal mined along its lines, and that it did not propose to have the Red Rock Fuel Company or any other concern compete with it for business.

Proceedings were commenced by the Red Rock Fuel Company before the Interstate Commerce Commission last May to require the Baltimore and Ohio Railroad to furnish the desired connection. These proceedings resulted in a decision in favor of the Red Rock Fuel Company, in an opinion handed down on November 25, and, founded on this, an order was entered by the Commission requiring the Baltimore and Ohio Railroad to desist from discriminating against the Red Rock Fuel Company in favor of other shippers and in favor of itself or to furnish the connection for the Red Rock Fuel Company by December 23, 1905. The Baltimore and Ohio Railroad Company has failed to comply with this order, and has announced its intention to disregard it.

During the proceedings it developed that the Pennsylvania Railroad Company controls the Baltimore and Ohio Railroad, and that it has an interest in limiting the shipments of coal from the line of the Baltimore and Ohio Railroad, so as to prevent competition with coal mines on the lines of the Pennsylvania Railroad.

While the injury done in this case is only a private one to the Red Rock Fuel Company, yet it is such an abuse of railway franchises and such a perfectly clear-cut example of injustice on the part of a public servant, with no extenuating circumstances to becloud the main issue, that the Red Rock Fuel Company takes the liberty of inclosing you a copy of the Interstate Commerce Commission's decision in this matter, together with a very brief extract from the testimony taken during the hearing, touching upon the most important statements above made, with the hope that you will give it your attention.

Therefore your earnest consideration of the facts of this case is asked, not only in the interest of the Red Rock Fuel Company, but also in the interest of all independent coal shippers who have no railroad influence and the public generally, who have felt the oppressive force of railway abuses of a similar character, but whose cases perhaps are not susceptible of as clear and certain demonstration as this one, and your aid is respectfully invited to making such acts of oppression hereafter impossible.

A full investigation should be had of all the bituminous coal-carrying railroads reaching Atlantic ports and their relation to each other, and especially the question of whether they are interested in coal properties, as well as serving the public as carriers.

Should you desire any further information in regard to this matter it will be cheerfully furnished.

RED ROCK FUEL COMPANY,
LOGAN M. BULLITT, *President.*

It must be apparent to everyone that legislation of this character ought to receive prompt consideration at the hands of Congress. [Applause.]

Through the kindness of the distinguished Member from Tennessee, Mr. GAINES, I have received a copy of an amendment which he proposes to offer at the proper time as a new section to this bill. It reads as follows:

SEC. 9. That section 22 of the act of February 4, 1887, entitled "An act to regulate commerce," be amended by adding thereto the following:

"Any officer or employee of any railroad included within the provisions of this act who shall make, issue, or give any free pass or passage ticket, not in good faith intended to be paid for, over such railroad, or any railroad connecting therewith, to any person not allowed or authorized to pass free according to the provisions of this section, or who shall pass or cause to pass free over such railroad any such person, and any person not so allowed or authorized to pass free who shall receive and use any such free pass or free passage ticket, or any evidence thereof, shall be punished by fine not exceeding $1,000 for each offense; and it shall be the duty of the several courts having jurisdiction to charge regularly their grand juries to investigate violations of this section."

No free passes or free passage ticket or evidence thereof shall be issued by or in behalf of any railroad corporation, unless they are signed by some officer of said corporation authorized by vote of the directors to sign the same, and every railroad corporation shall keep a record showing the date of every free pass, the name of the person to whom it is issued, the points between which the passage is granted, and whether a single trip or time pass, and, if the latter, the time for which it is issued, and this record shall at all times be opened to every stockholder in said corporation and to the Interstate Commerce Commission; and any railroad or person failing to comply with this provision shall be punished by fine not less than $2,000 for each offense, and it shall be the duty of said Commission to cause prosecutions to be instituted on account of the issue of any free passes or free passage tickets or evidence thereof contrary to law.

I have no idea that it will receive favorable consideration, but I hope that if it does not that he will introduce a bill covering the provisions of this amendment and make it still broader, covering the telegraph and express companies. Why should any exceptions be made? We are trying to legislate against rebates and discriminations. Let us not discriminate in this particular. It has been stated in the course of this debate that the railroad companies would welcome legislation of this character, and why should not the telegraph and express companies? It certainly must prove a great burden to them, and then, too, it has been clearly demonstrated, and no one will dispute it, that when any person is so fortunate as to be the recipient of favors at the hands of the railroad companies some one else must be the sufferer and help to pay the loss. Is this not equally true in the case of the telegraph and express companies?

Listen, please, to what distinguished railroad officials and others say in this connection.

Hon. Paul Morton, recently a member of President Roosevelt's Cabinet and vice-president of the Topeka and Santa Fe Railroad, made the following statement before the Industrial Commission November 22, 1899:

Passes are given for many reasons, almost all of which are bad ones. There should be no passes printed. Even railroad officials or employees traveling on other lines than those they work for should be required to pay fare. The chief reason that stimulates a man to ask a railroad company for a free pass is that somebody else has it. Passes are given for personal, political, and commercial reasons, and in exchange for advertising, for services, and for various other reasons. I am in favor of the total abolition of railroad passes, and this view is held by a large number of the railroads of the country, as will be seen by the extract, quoted below, from the proceedings of a meeting of executive officers of western, northwestern, and southwestern railroads, held in October last in St. Louis:

"Recommended:

"First. That all free or reduced transportation of every description both State and interstate, with the exception of that to railroad employees, be discontinued.

"Second. That reduced or free transportation to railroad employees be very much restricted.

"Third. That a joint meeting of all the leading American lines be called for the purpose of considering this subject, with the end in view of entirely stopping the pass abuse.

"Fourth. That a copy of these recommendations be submitted to all lines, with the request that they each go on record as to their views, and, if they favor discontinuing the practice of issuing free transportation, state how many railroads they believe should subscribe to the movement in order to make it effective."

The foregoing recommendations were submitted to the executive officers of 205 railroads, representing a mileage of 184,000 miles—practically all of the mileage of the country.

Replies in favor of radical action in either abolishing or restricting the issuance of free transportation have been received from 129 of the railroads thus addressed, representing 150,590 miles.

While this indicates that a large proportion of the railroads want to shut off the free-pass abuse, I doubt if anything ever comes of it until Congress passes a law prohibiting it.

There should be no unjust discriminations in rates of freight or fares in favor of individuals or localities.

Transportation is a public service, and the charges are in the nature of a tax. They should be absolutely fair to all. Almost any kind of legislation that will insure this will be wise.

One great difficulty that the railroads have to contend with is the adjustment of relative rates from competing distributing points. Much

money has been wasted in contending for differential rates in favor of this place or that, and there ought to be some tribunal—such as the Interstate Commerce Commission—empowered to settle such disputes. Many of the rate wars of the western country have been caused by such contentions, and the result has generally been a restoration of old conditions, an arbitration, or a slight concession of some kind or another."

Col. John H. Reagan said:

"2. The allowance of free passes by the railroad companies is not done as a matter of charity, for they are not, as a rule, given to the poor and needy, but for the most part to public officials and to influential persons. It is one method of unjustly discriminating in freight rates in a way that it is difficult, if not impossible, to prevent, by furnishing free passes to shippers, their families, their agents, etc. And as the revenues of the roads must be kept up, it is the taxing of one part of the people for the benefit of another part of them which violates the commonest rules of right, and it is undoubtedly employed as one of the means of influencing public officials and members of legislative bodies in the performance of their official duties. It is unfair, unjust, and demoralizing, and should be prohibited by Congress and the several legislatures in their respective spheres of authority."

Mr. A. B. Stickney, president of the Chicago Great Western Railroad, in part said:

"That is the way with this pass business. If it never had been or if there was some way to get rid of it without raising too much of a disturbance, I should think it was a good thing to get rid of, and I don't know but it is anyway.

"Q. As a railroad man, taking your side of it, should you prefer to be rid of it?—A. Oh, Lord, yes; it is like Congressman patronage, which I should think every Congressman would be glad to get rid of.

* * * * * * *

"Q. (By Professor JOHNSON.) Do the members of the judiciary of Minnesota and Illinois hold passes over your road?—A. I don't think they do; I am not certain about that. If any of them ask for transportation, they get it; we don't hesitate to give to men of that class if they ask for passes; we never feel at liberty to refuse.

"Q. (By Mr. KENNEDY.) You say that if members of the judiciary ask for a pass they will get it. Is there any reason why a judge of a court who gets a good salary should get a pass—that is to say, is there any greater reason than why John Smith should have a pass?—A. That depends upon what you would call a good reason.

"Q. Is there any reason that would not avail so far as the general public is concerned?—A. Twenty-five years ago I had charge of a little bit of a road that was a sort of a subordinate of a larger road. I had occasion to visit the president of the superior road about something, and he said: 'Mr. Stickney, I see that the sheriff of this county has a pass over your road. I should like to know on what principle you gave that sheriff a pass?' I said, 'I did it on the principle that he was a power, and I was afraid to refuse him.' 'Well,' he said, 'I refused him.' I said, 'You will wish you hadn't before the year is over.' Some time afterwards, and during the year, I went into the office to see the superintendent, but he was not in; I went into the general freight agent's office, and he was not in; I went into the general manager's office, and he was not in. So I then went into the office of the president and said, 'What kind of a road have you got? Your superintendent is not here, your general freight agent is not here, and your general manager is not here.' He hung his head down and said: 'Do you remember that conversation we had about that sheriff's pass? He has got all these men on the jury and has got them stuck for about two weeks.'

"Q. That answer seems to indicate that railroads would be afraid to refuse for fear of the penalties?—A. I think the railroads find there is a class of men that it is to their interest not to refuse if they ask for passes.

"Q. Is it not bad in morals that a judge of a court should get a pass in that way and that a private citizen could not get one?—A. I would rather not assume to be a judge of morals; let other men judge of that for themselves.

"Q. Still, you say you would like to be rid of the pass system?—A. Yes.

"Q. (By Professor JOHNSON.) Would you like to have Congress prohibit the granting of passes for interstate traffic?—A. That might help things and it might not. Legislation on such things works an advantage sometimes, and sometimes it does not altogether.

"Q. It seems to me that it would be useless to have such laws if you could not enforce them and punish the man who gives passes or the man who receives them.—A. Well, I don't know. I notice in England and on the Continent that they have a great many laws regulating these things, and you will see signs posted stating that such and such things are forbidden under penalty of 10 shillings or 20 shillings, and I notice they enforce these laws. Now, let Congress pass a law forbidding passes and impose a penalty of $5 or $15, or some sum like that, and there should be some possibility of enforcing it; but impose a penalty of five years' imprisonment or $5,000, and I don't think you are going to get the American people to enforce any such penalties."

Mr. Stuyvesant Fish, president of the Illinois Central, says:

"Q. (By Professor JOHNSON.) Is not the granting of passes an illegal discrimination when you carry a man across the boundary of a State?—A. I would rather you would prove it by some other witness, gentleman, to put it in all candor. [Laughter.]

"Q. (By Senator MALLORY.) Do you regard it as an evil?—A. Yes. I am so constituted I do not believe in giving something for nothing under any circumstances. I think the evil of the pass situation is, seriously, this: It is the only way of getting value out of the treasury of the railroad company without leaving a voucher. There is no other way known to me.

"Q. (By Professor JOHNSON.) Do not the railroad companies give these passes for value to be received?—A. Some of them, but the particular value received is not of record.

"Q. It is not of record, but is it not in the form of favors of various kinds?—A. I am giving passes now to persons that are serving the company well, and they are entitled to it. I can defend hundreds of passes. There are reasons; but the same thing would enable me to go right to the treasury of the company and put in a voucher and give these men, say, $100, just exactly the same. If it is defensible for value received, it can be paid by money.

"Q. (By Senator MALLORY.) What do you say about these passes given to members of the legislature and Members of Congress and Senators?—A. I think the whole thing should be stopped.

"Q. Do you think there is value received in this case?—A. I have been told there is at times."

Mr. Samuel Spencer, president of the Southern Railroad, said:

"Q. Do you not think that the generally recognized violation of any law has a bad moral effect on the community in which that violation is practiced?—A. I think so, undoubtedly. It weakens the moral force of the community at large.

"Q. That being so, can you state to the Commission to what extent the free-pass system, or free-transportation system, is practiced? I will not ask in reference to your railroad, but railroads in general in this country.—A. I will be very glad to have you specify.

"Q. Well, your railroad.—A. The policy of the Southern is that its whole business shall be public to one and all. I have no objection to answering generally or specifically if you want it. The pass system has grown to be an abuse throughout the entire country, and it is an abuse on the Southern just as well as it is on other roads, but I hope not to the same extent; but it is an abuse, and one which at the moment we can not throw off.

"Q. It is just as much prohibited or more prohibited than the ticket-brokerage system?—A. No; not so specifically provided for as the public notice of reduced ticket rate that I have spoken of. The language of the interstate-commerce law upon that subject is such that the prohibition of passes is covered by a general clause. There is no specific law in regard to the free-transportation system only in the question of discrimination.

"Q. It is included in that?—A. It is included in that, undoubtedly. But you can not put your finger on it with quite the same specificness as you can the other provision.

"Q. You say it is generally abused. You mean by that that passes are given without consideration?—A. Without really a proper consideration, yes.

"Q. Legitimate consideration?—A. Yes.

"Q. And you think it is a general abuse?—A. I do. I think it is widespread all over this country.

"Q. Do you not think it would be well, if it is feasible, to have legislation enacted that will prevent it?—A. I would like to see a statute passed that there should not be one issued to anyone."

Prof. E. R. Johnson, president of the University of Pennsylvania, said:

"Q. (By Mr. KENNEDY.) Have you anything to say about the practice of giving passes, State laws prohibiting them, etc.?—A. I think it is something that ought to be prohibited by law. I think passes ought without exception to be restricted to actual employees of the railway corporations, and there is no doubt in my mind that the influences of the pass system upon our legislatures and judiciary are altogether bad."

Commissioner Knapp said:

"It would be impossible to say to what extent that results in diminished revenue to the carrier. I have heard it claimed—I know nothing about it, and make the statement only on that information—that probably the actual revenues received by all the railroads of the country from their passenger business did not exceed 75 or 80 per cent of what they would be at the published rates multiplied by the journeys actually taken.

"Q. If it would be possible to abolish this pass system, which is just as bad a discrimination as the freight, in fact worse, what effect do you think it would have on the cash fare—would it lower the rates of a paying passenger or would not the railroads charge the same, taking the usufruct of the whole for themselves?—A. What would result I can not say.

"Q. What would be your opinion, in your Interstate Commerce Commission, about a question of that kind?—A. I should feel warranted in answering your question this way: If we could eliminate the free transportation and bring this public service down to the impartial conditions where every person who uses it pays his proper share, I believe the passenger rates throughout the country could be materially reduced and still the railroads have better returns from that branch of their service than they have at the present time.

"Q. Is it possible to amend the interstate-commerce bill to abolish passes?—A. I think so, surely, and a good many other things that now occur.

"Q. (By Mr. RATCHFORD.) Is it not a fact that professional men and ministers of the gospel usually are provided with passes?—A. I am not aware that professional men as a class ordinarily receive any concessions, but clergymen as a rule get half rates.

"Q. (By Mr. KENNEDY.) Does the practice extend to Federal and State judiciary and district attorneys?—A. I do not know. I think the practice is diverse. My opinion is that in many sections of the country the judiciary, both Federal and State, have free transportation. In some cases it is not accepted. In some States it is prohibited; in others it is in a way recognized as one of the perquisites and emoluments of the office.

"Q. (By Professor JOHNSON.) It was testified before your commission by an officer of the Louisville and Nashville that his railroad gave passes to judicial officers.—A. Yes; but there is no such general practice, I mean to say, as corresponds with the arrangement in which clergymen get half rates. That is quite universal."

In 122 North Carolina Reports this most interesting statement may be found in the opinion delivered by Justice Douglass:

It is currently reported that a hundred thousand passes were issued in the State of North Carolina within the year 1897. Of our three leading railroad systems, one reported over 15,000 passes issued, while another reported 30,000. The defendant herein, the largest system of all, and having a direct pecuniary interest of vital importance before the legislature, refused to make any report, relying upon its legal exemption from compulsory self-incrimination.

Taking the estimate of 100,000 passes as correct, as it is 397 miles from Raleigh to Murphy, on the west, and still farther to Elizabeth City, on the east, it is fair to assume that each pass would represent at least 100 miles of travel, equal to $3.25 in fare.

This would represent the equivalent of $325,000 a year given to somebody, but to whom we do not know and for what purpose we need not inquire. These figures may not be correct, but they are the best obtainable under the circumstances.

It is needless to suppose that transportation of such great pecuniary value would be given without some return, either present or prospective, and in any aspect its continuance would be unjust to the public interest and dangerous to the public welfare.

Free transportation to so large an amount would necessarily place an additional burden upon the traveling public to make up the deficiency, while its irresponsible distribution would be a serious menace to public morality. So far, I fully concur in the opinion of the court.

In the Cullom report we find this language: "That a privileged class is created by the granting of passes, and that the cost of the passenger service is largely increased by the extent of this abuse."

I am sure that it will not be necessary to offer any more or further convincing proof of this nature, for I am confident that we are all agreed that the conclusions arrived at by these various gentlemen are entirely correct.

Under the present rates as charged by the telegraph and express companies it is a luxury to be able to send a telegram or use the express. I insist that the rate should be so low, so fair, so just as between the companies and the people that it should be a matter of almost daily convenience to the great body of our people.

I feel that the members of the Committee on Interstate and Foreign Commerce are to be congratulated for their excellent work and for the broad statesmanship which they have exhibited in arriving at a conclusion which meets with their unanimous approval. They do not claim perfection for the bill, but say it is the best they could do under all the existing circumstances.

In view of the deep interest manifested by a large majority of our constituents and an almost universal demand that some legislation of this kind be passed, reenforced by the earnest wish and desire of the President, and the almost certain result that this bill will receive practically the solid support of this body, it is to be hoped that in the very near future it may be enacted into law, and when this is done may we not all confidently expect that some evils have been corrected which have proved a menace to the vast business interests of the country? Let us fervently hope that our efforts have not been in vain and that out of this legislation will come great good that will prove the wisdom and greatness of our people. [Loud applause.]

Injustice of the Statehood Bill.

SPEECH

OF

HON. JOSEPH A. GOULDEN,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, January 25, 1906,

On the bill (H. R. 12707) to enable the people of Oklahoma and of the Indian Territory to form a constitution and State government and be admitted into the Union on an equal footing with the original States, and to enable the people of New Mexico and of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States.

Mr. GOULDEN said:

Mr. CHAIRMAN: Having spent some time in New Mexico and having a knowledge of the people of Arizona, I am opposed to the bill providing joint statehood for these Territories. It is true that the population, as measured by the great States east of the Rocky Mountains, is small, but when compared with such bright examples of statehood as Idaho, Wyoming, Montana, the Dakotas, Washington, and Oregon, the people of those Territories have no occasion to blush. With the rights and privileges of statehood the inhabitants would measure up to the full standard as to duties and responsibilities of citizenship. My experience in a month's visit to New Mexico confirmed these statements. I found the people intelligent, honorable, and patriotic, possessing much in common with those of other sections of our common country.

Much is heard on the floor of the House against the crime of admitting Territories with a small population, and of the injustice of the other forty-five States of the Union. In this connection I desire to read from that sterling metropolitan newspaper, the New York Times, of this morning, and to have it made a part of my speech.

Every other State in the Union at the time of its admission has had a substantially homogeneous population; at least they were sufficiently near in blood and speech, in interest, and in aspiration to live at peace among themselves and to work in harmony for their own political upbuilding. There is grave reason for fear that Arizona and New Mexico, if taken into the Union as one State, will not get on together upon terms of peace. Between populations so dissimilar there is always danger of civil disturbance. There is no hurry about admitting these Territories. They have no proper qualification for statehood separately. If to take them in as one State is, as Mr. BABCOCK said, a "crime," why is it perpetrated? The Wisconsin Member declares that the Republicans are afraid that if the present bill is not passed these Territories will be admitted separately a few years hence, and will send four Democratic Senators to Washington. That is a consideration which we are afraid would weigh heavily with a Republican caucus. It may or may not have its influence with the Administration. It is a pretty extreme extension of the spirit of partisanship. To treat the composition of the Union and its enlargement by the admission of new States as a matter to be determined by the interests of the Republican party is a policy which, not to put too fine a point on it, must be described as detestable.

There is no justification for this proposed measure, and in the interests of the Territories named, in the interests of a common brotherhood, as well as in the interests of justice and a "square deal," it should be defeated.

Now, as to the means adopted to get this bill through the House. A rule that cuts off all amendment has no place in a representative body like this; gag law is un-American, and the party that indulges in this unholy practice to bolster up a bad cause merits, and will receive, the punishment due to the crime. It matters not what political party makes use of such questionable tactics, it merits condemnation, and unless the signs of the times fail, the people will register their verdict in November next against the Republican party by putting the grand old Democracy again in power.

I beg leave to read from a sound Republican paper, one of the President's warmest supporters, the New York Sun of yesterday, on this phase of the bill now under consideration.

The Republicans who resisted the partial relief to the industries of the Philippines afforded by the Philippine revenue bill resisted a measure of justice, in so far as it went. Their course was for the supposed benefit of beet-sugar farmers and factories in their districts. It was selfish, but intelligible. They were beaten, and deservedly beaten. Their "insurrection" rested upon a narrow and local basis. The broader, more generous, more humane, more patriotic policy triumphed.

The "insurrection" against the Hamilton statehood bill has no narrow or selfish causes. It rests upon the American principle of self-government. The people of Arizona are strongly opposed to the union of that Territory with New Mexico and the formation of one State out of the two Territories, so dissimilar in population, so physically set apart from one another. If the people of Arizona are not opposed to that union, why are the supporters of the joint statehood bill afraid to allow them and the New Mexicans to vote separately on the question? Why are those supporters trying to force through the House to-day a rule prohibiting amendments to the bill?

Is it fair, is it just, is it American to force upon the Arizonians a union which they hate?

The "insurgents" against such a union have right and justice on their side. They should fight to the end, and not surrender.

All honor to the brave, patriotic Republicans who will register their votes against this iniquitous measure. Their names will constitute a roll of honor of which all true Americans can be proud, and their example will be a beacon light for others in this and other legislative bodies of our beloved country.

Railroad Rate Bill.

SPEECH

OF

HON. JOSEPH H. GAINES,

OF WEST VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, February 6, 1906.

The House being in Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 12987) to amend an act entitled "An act to regulate commerce," approved February 4, 1887, and all acts amendatory thereof, and to enlarge the powers of the Interstate Commerce Commission—

Mr. GAINES of West Virginia said:

Mr. CHAIRMAN: The extent to which this bill has been criticised by some gentlemen because, in their opinion, it went too far and by others because, in their opinion, it did not go far enough seems to me to indicate that the committee has been fairly successful in proposing a conservative, well-considered measure. The legislation sought to be accomplished by this bill is of great importance. No one can be more sensible of its far-reaching character and the great good to be accomplished by it or the great harm to be done by it than are the members of the Committee on Interstate and Foreign Commerce, who have given it long consideration. We are proposing to try to regulate the practices of the railroad companies of this country in such a way that if our legislation should turn out to be wise we do the country great good, but in such a way also that if our legislation turns out to be ill advised we will inflict great harm upon the country.

I take very little interest, Mr. Chairman, in the suggestion made here that gentlemen who may be honestly opposed to this legislation should beware of the popular clamor in its favor. For myself, I do not legislate for popular clamor, and I believe that if the action which we take here is unwise; if we pass laws that shall not turn out for the public good, but do injury to the people, it will be an insufficient answer for us before our constituents to say that they urged us to take this course. They will judge us by the wisdom of our legislation, whether they advise us to take the step or not.

Those, Mr. Chairman, who oppose this legislation seem some-

how to imagine that those who favor it are the only ones who do not appreciate the difficulties of the transportation problem.

We have no hope that we are going to relieve all the ills of the body politic by this law. We have no hope that conflicts hereafter between shippers and railroad companies will not come even if we pass this law. We are as well aware as gentlemen upon the other side of this proposition that all transportation proceeds upon discriminations. We know, for instance, that if the railroad companies can not transport the shoes of Boston to West Virginia by the carload for a smaller sum than they would charge for a carload of coal from West Virginia to Boston—if the railroad companies may not charge less in proportion to the class of freight and the distance for a carload of wheat from Minnesota to the seaboard than they charge for a carload of coal from West Virginia to the ocean—the railroads could not move coal or wheat or shoes. We know that it is necessary for the railroads to fix their tariffs with reference to promoting the movement of the largest possible amount of freight. That means, of course, that they must put their tariff down to a point that will permit the traffic to be hauled; in other words, to what the traffic can afford to pay. It is not the expectation of those who favor the legislation that persons who live near large cities shall be given the monopoly of the markets. No man has a right to ask a monopoly of any market. He has only the right to ask that he shall be treated fairly in comparison with others and that reasonable rates be charged for his traffic.

But, Mr. Chairman, we are not attempting the exercise of any new power. Gentlemen like the gentleman from Pennsylvania [Mr. SIBLEY] seem to think there is something socialistic in this legislation. As has been frequently pointed out in the course of this debate, the Government has time out of mind regulated common carriers. Governments have always regulated the tolls to be paid on highways; they have always regulated the charges upon canals; they have exercised the power always to regulate hack fares in cities; and there is no State, I fancy, in this Union whose legislature has not passed some bill regulating railroad rates for the transportation of persons and of property. The reason for it is obvious. It follows from the nature of these classes of property. Railroads have been considered in this debate as private property, and it has again been said that a railroad is public property. As usual, between two extreme opinions of this sort, the truth lies midway. A railroad, as I understand it, is, in the conception of the law, a public agency operated by private capital. The private capital is entitled to its just and fair return, and also the public interest to be served should equally be guarded by the law.

The Supreme Court of the United States has laid down fully the two propositions, both that the private property in the corporation must be protected and also that these great public-service corporations own their property subject to rights of the public in them.

The Supreme Court, in Smyth against Ames, says:

> It can not be assumed that any railroad corporation, accepting franchises, rights, and privileges at the hands of the public, ever supposed that it acquired, or that it was intended to grant to it, the power to construct and maintain a public highway simply for its benefit without regard to the rights of the public. But it is equally true that corporations performing public services and the people beneficially interested in its business and affairs have rights that may not be invaded by legislative enactments in disregard of fundamental guaranties for the protection of property. The corporation may not be required to use its property for the benefit of the public without receiving just compensation for the services rendered by it.

Again the court says:

> What the company is entitled to ask is a fair return upon the value of that which it employs for public convenience. On the other hand, what the public is entitled to demand is that no more be exacted from it for use of the public highways than the services rendered by it are reasonably worth.

There has been considerable discussion in this debate as to what is the rule that protects the property of the railroad company. If the legislative power should undertake to fix a rate which was not justly compensatory some persons have said that the courts may intervene. Others have said that the courts may not interfere unless the power fixing the rate has fixed one that is "confiscatory."

Members will notice that in this bill the committee has avoided a discussion whether the common carrier ought to be held down in its remedies merely to the avoidance of what is confiscatory. The committee has said that when a rate complained of is, in the opinion of the Commission, unreasonable the Commission may establish a fairly remunerative rate to be thereafter regarded as the maximum rate. Some gentlemen have seemed to think that this is too favorable to the transportation company—that we ought not to enlarge what it is claimed was the intention of the Supreme Court in its language in the case of Smyth *v.* Ames. I do not believe, Mr. Chairman, that we have enlarged the spirit of that language. It seems to me to be as confiscatory to deprive the railroad company of just compensation—of a fair return upon its property—as it would be to deprive it of the property itself.

But without regard to that we have thought it only fair to put in the law a specific provision that the transportation companies shall be entitled to a fairly remunerative rate. Now, while for the first time we empower a commission, when it has upon hearing found a rate to be unreasonable, to substitute in its place the rate which the Commission shall deem to be just and reasonable and fairly compensatory to the company, this is not the first time that that power has been exercised. It was supposed for many years to have been conferred upon the Interstate Commerce Commission by the original act. That has been disputed. It has been said in this debate that the Interstate Commerce Commission at one time exercised that power, and it has been denied that it ever exercised the power. Because of this contention, and because it seems not yet to have been settled, I desire to read the language of Commissioner Prouty, where he not only asserts that the Commission at one time exercised that right, but gives a case in which the Commission actually did exercise it. He says:

> The first order this Commission ever made establishing a rate was made in the case of Evans against the Oregon Navigation Company or the Oregon Short Line—I forget which. The thing involved there was the rate on wheat from Walla Walla to Portland. The rate in effect was 30 cents. The rate the Commission ordered was 23½ cents. What the Commission did was to order the defendant to cease and desist from charging more than 23½ cents.

The railroad obeyed. In other words, to comment upon it in passing, the Commission named, not an exact rate to be in effect for the future, but passed an order which amounted to what is now the authority given the Commission in this bill. It directed what should thereafter be the maximum rate, by requiring that the railroad company should cease and desist from charging more than a certain amount. He goes on:

> That was the form of the order which the Commission made and it is the form of the order which the Commission has always made.

Upon a very considerable examination of these cases and the history of the Interstate Commerce Commission I think there can be no doubt in the mind of any impartial man, first, that the Commission did for a number of years deem itself clothed with the authority to name a reasonable rate where upon complaint and hearing it had found a rate to be unreasonable; and, second, that it exercised the power in the main wisely; so that the benefits of the act to the patrons of railroads did not operate any injury to the common carriers themselves. And I believe that if this bill shall become a law the railroad companies themselves will so often comply with its provisions that it will be unnecessary in many cases to seek the aid of the Commission.

I do not understand the position taken by some gentlemen who say that this gives the Interstate Commerce Commission such power that it is likely that all of the rates of the country will be before the Commission at one time, or, at least, a great number of them. One can not take that position, it seems to me, unless he believes that the carriers are almost always in the wrong; and I take it that nobody believes that who has looked into the situation. Most of the rates of the country are fair and just. The practice of the carriers is generally in obedience to and in conformity with the law, I believe, and not in contravention of it. But these gentlemen who think that the railroads will be cited before the Interstate Commerce Commission with reference to a great number of the rates in this country at one time must believe that the Interstate Commerce Commission itself will be very incapable, or that the temper of the American people is very unfair toward the railroads, or that the railroads themselves propose to violate in a wholesale way any law which we place upon the statute books. It seems to me you might just as well argue what would happen in the courts of the country if one-half of the people at one time sued the other half, and then draw the conclusion that we are in danger of intolerable confusion from the administration of justice. I apprehend no such condition of affairs. I believe that there will be fewer cases before the Interstate Commerce Commission after the passage of a law of this sort, if you clothe that Commission with power, than there are at this time, when the country seems in doubt to know where the power rests to correct a violation of its duty to the public by one of the great common carriers of the country.

The greatest argument, to my mind, Mr. Chairman, against this legislation is one which, if valid, would be equally so against any sort of law at all regulating the common carriers of this country. It is said by a great many gentlemen that the carriers should be left alone to make rates without any sort of power in the Commission or anyone else to supervise or regulate them. It is said that this country has become great,

not by reason of its railroads, and that is true; not by reason of its captains of industry, and that is true; not by reason of its laws mainly, and that also is true, but by reason of the great energy and initiative of the American people, and we are urged by gentlemen not to interfere with that, but to give it the fullest scope; and we are assured by them that that will be of greater advantage to the people of this country than any law that we could pass. Many gentlemen believe that rate making is so difficult that it can not be regulated by any Government commission; that rates can only be made by the pressure of business, by the combined judgment and necessity of the shippers and the traffic men of the railroads, and particularly that individual initiative in that matter should not be interfered with; that these things regulate themselves by the force of competition, and can not be otherwise regulated.

I confess, Mr. Chairman, that I should have great hesitation in interfering with the operation of free competition anywhere. I do not assert, nor do I admit, that competition unrestricted and fierce between the common carriers of the country is a good thing. My own limited observation and experience in connection with rate making has led me to believe that stability of rates, if the rates be fairly reasonable and just in themselves and not discriminatory, is of quite as much importance as competition, and more important perhaps than competition. One can not know what price to charge for any time in the future for his products unless he has some certainty what the rate is to be in the future. I shall not enter upon the discussion sometimes made as to whether railroad rates are a commodity or a tax. I believe that to be one of those questions which are academic merely, and not practical. But railroad rates operate very much like a tax, and it certainly is of importance that they should be reasonably stable. In regard to the belief that gentlemen who are opposed to this bill have asserted, viz, that the protection of the shipper and the consignee and the protection of the public in this country in the matter of railroad rates is to be found in competition, it is a sufficient answer to say to them it has been a long time in this country since competition acted freely among the transportation companies. The railroad companies and traffic managers and railroad presidents have confidently asserted that the welfare of the country and the public, as well as the prosperity of the transportation lines, demanded that there should be some sort of agreement among them for the purpose of controlling rates and territory. On the 14th day of January, 1892, some thirty-odd railroads operating in the South entered into an agreement, the language of which sounds much at variance with the views taken by gentlemen on this floor who claim that the railroads should be left to free and unrestricted competition among each other. I read from the agreement of the Southern Railway and Steamship Association of America:

This agreement, made this 14th day of January, A. D. 1892, by the parties whose signatures are hereto attached, witnesseth that—

Whereas the establishment and maintenance of tariffs of uniform rates to prevent unjust discrimination such as necessarily arises from the irregular and fluctuating rates which inevitably attend the separate and independent action of transportation lines is important for the protection of the public; and

Whereas it is deemed to be the mutual advantage of the public and the transportation companies that business in which they have a common interest—

And right there, Mr. Chairman; I have never known a railroad lawyer in my life who denied that the railroads owned their properties subject to the public right to use them. I have never known one who denied that the right of the public in those roads to equal and just treatment was as much a matter of vested property right and the protection of it as important to the protection of property rights, as the protection of the private corporate interests of the railroad companies themselves—

Whereas it is deemed to be the mutual advantage of the public and the transportation companies that business in which they have a common interest should be so conducted as to secure a proper correlation of rates, such as will protect the interests of competing markets without unjust discrimination in favor of or against any city or section; and

Whereas these objects can be attained by the cooperation on the part of the various transportation lines engaged in the traffic of the territory south of the Potomac and Ohio rivers and east of the Mississippi River—

So much for the preamble. I shall not read, Mr. Chairman, much of the agreement, but I only want to read enough of it to indicate that competition—individual initiative—was destroyed in this country long before the Government undertook to regulate rates. [Applause.] So far is that true that while the agreement I am now reading was dated after the first act for the regulation of commerce, as a matter of fact agreements had been constantly made before; and it was the making of these agreements—it was the destruction of individual initiative by such agreements—and it was the assertion through such agreements by the railroad people themselves that something else than the law of competition was necessary to protect the railroad properties and to protect the public right in the use of those properties that led the Government in the first place to undertake their regulation by a Congressional commission. Now, let us see what they do. You have been talked to of the drastic power exercised by this bill. No bill that has ever been proposed at this or any other session of Congress has ever attempted to vest in the Commission such drastic power as has been exercised time and again in this country by the railroad people by means of illegal agreements in restriction of trade and commerce.

The first six sections of this agreement are as follows:

SECTION 1. The traffic subject to this agreement shall be (*a*) all business for which two or more of the parties hereto compete, having origin and destination within the territory of this association—that is, south of the Virginias and south of the Ohio River and east of the Mississippi River, and (*b*) all traffic between territory on or north of the southern boundaries of the Virginias and on or north of the Ohio River and west of the Mississippi River, and the territory south of such south boundary of the Virginias and the Ohio River and east of the Mississippi River, except that traffic to or from a local point on any line shall be considered local to that line, and so far as that line may be concerned shall not be subject to this agreement, and further except that traffic between points on the Ohio and Mississippi rivers or between points on the Ohio and Mississippi rivers and points north of the Ohio and west of the Mississippi River shall not be subject to this agreement.

SEC. 2. For the mutual protection of the various interests and for the purpose of securing the greatest amount of net revenue to all the companies parties to this agreement, it is agreed that what are termed "western" lines shall protect the revenue derived from transportation by what are known as "eastern" lines, under the rates as fixed by this association, so far as can be done by the exaction of local rates, and that eastern lines shall in like manner protect like revenue of western lines.

SEC. 3. That a line from Buffalo through Salamanca, Pittsburg, Wheeling, and Parkersburg to Huntington, W. Va., be made the dividing line between eastern and western lines for the territory hereinafter outlined. That the western lines shall not make joint rates from points east of that line for any points east of a line drawn from Chattanooga through Birmingham, Selma, and Montgomery to Pensacola.

SEC. 4. The eastern lines, including the Richmond and Danville Railroad via Strasburg or points east of Strasburg, and the East Tennessee, Virginia and Georgia Railway via Bristol, shall not make joint rates on traffic from points west of that line (Buffalo, etc.) to any points on or west of a line drawn from Chattanooga through Athens, Augusta, and Macon to Liveoak, Fla.

SEC. 5. The traffic from Buffalo through Salamanca, Pittsburg, Wheeling, and Parkersburg to Huntington, W. Va., and points on that line to and east of Chattanooga, Calera, and Selma shall be carried by either the eastern or western lines only at such rates as may be agreed upon.

SEC. 6. It is understood that the eastern and western lines will cooperate in the enforcement of the third and fourth sections of this second article.

And so it continues, Mr. Chairman. I have read sufficient to show that not only do they agree on rates and enter into agreements as to what lines should make or should not make joint rates—not only determine what lines should carry certain freight and what should carry certain other freight—but they actually assume to parcel the territory of the country among themselves as being the exclusive territory of this or that railroad, a power so drastic that no Congress would ever think of exercising one equally so, that even the Autocrat of all the Russias himself would not have at any time undertaken its exercise.

A few years ago, Mr. Chairman, I introduced in this House a resolution to have examined by the Interstate Commerce Commission and to have a report made thereon the control of certain coal-carrying roads in West Virginia by the Pennsylvania Railroad Company. I was absent from the House a few days ago when a resolution similar, I take it, passed this House, except that the resolution which I introduced did not require this information from the President of the United States, and I would not have introduced a resolution demanding the information from him or have voted for such a resolution had I been present. The resolution which I introduced was directed to the Interstate Commerce Commission, not to the President. It was followed a few months afterwards by a report from the Committee on Interstate and Foreign Commerce giving this very information. The same information was given by Commissioner Clements in his statement before the Senate committee during the hearings last fall, and all gentlemen should have read it. I shall, with the permission of the committee, append that statement to my remarks. I shall not read it now, but shall describe to some extent what it contains. That report shows that the Pennsylvania Railroad Company and the New York Central Railroad Company may control and do control the competing coal-carrying roads in West Virginia, to wit, the Baltimore and Ohio, the Chesapeake and Ohio, and the Norfolk and Western. West Virginia occupies, with reference to the coal trade, a peculiar relation. The coal of West Virginia might be called the competing coal of the United States. West Virginia mines perhaps one-fourth as much of soft coal as Pennsylvania and sends perhaps as much soft coal out of its borders as Pennsylvania sends from hers. That is due to the fact that Pennsylvania has large in-

dustries to consume her own coal and West Virginia has very few of them. The purpose of the Pennsylvania Railroad in getting control of these roads was to limit the shipments, and that control has limited the shipments made from West Virginia to the rest of the country. West Virginia coal goes to New England and the West. That which goes to New England must enter into competition with the coal hauled by the Reading and the Lehigh Valley and Pennsylvania railroads, and that which goes West must pass by the tipple of the Hocking Valley Company, in the district of the distinguished gentleman from Ohio [Mr. GROSVENOR], or it must pass the coal mines of the Illinois coal fields. So I say it is the competing and regulating coal of this country. It was for the purpose of preventing what they deemed to be so rapid a development of these coal fields that it would demoralize the coal trade of the country that the Pennsylvania Railroad secured the control of the competing coal roads of West Virginia. As the report of the Interstate Commerce Commission will show, this was done by a form of "community of interest." The Pennsylvania Railroad Company and affiliated lines proceeded to get control of a sufficient amount of the stock of the Chesapeake and Ohio, the Baltimore and Ohio, and Norfolk and Western to give them not absolute control, but control of a majority of the stock ever actually present at a stockholders' meeting.

An examination of this report of the Commission will show that there are certain members of the Pennsylvania board of directors who sit also on the board of directors of the Baltimore and Ohio, the Chesapeake and Ohio, and the Norfolk and Western. There are also certain New York Central directors who sit on those boards. For instance, take the Chesapeake and Ohio Railroad. It operates in this way: There are three of the nine directors of the Chesapeake and Ohio who are known as "Chesapeake and Ohio Railroad men;" there are three of them who are known as "Pennsylvania Railroad men," and three of them who are known as "New York Central directors." Now, then, these six directors of the Pennsylvania and of the New York Central not only may, but they actually do, have more to do with fixing the rate on coal and the practices that shall govern in the transportation of coal from West Virginia than any shippers or traffic men who are located along the line of the Chesapeake and Ohio Railroad. So that the initiative in rate making and the practices that govern transportation in this country are not left to be determined by the persons who ship and the railroad men as they come into contact with each other. Now, take the names of those who constitute the Chesapeake and Ohio directors: Mr. Decatur Axtell, who lives at Richmond; the Hon. CHAUNCEY M. DEPEW, who lives at New York; Mr. John P. Green, who lives in Philadelphia; Mr. William H. Newman, who lives in New York or Pennsylvania, certainly not anywhere near the Chesapeake and Ohio; Mr. Prevost, of New York, whose place has since been supplied; Mr. Samuel Rea, of Philadelphia; Mr. George W. Stevens, of Richmond, Va., president of the Chesapeake and Ohio; the Hon. H. T. Wickham, of Richmond, general counsel of the Chesapeake and Ohio, and Mr. H. McK. Twombley, of New York. Of these nine gentlemen only Mr. Stevens, Mr. Wickham, and Mr. Axtell make the interests of the Chesapeake and Ohio Railroad and the territory it serves their chief interest. Of the others three are chiefly interested in the Pennsylvania Railroad Company and three have the welfare of the New York Central most at heart.

So that the rates and practices of the railroad company in that case are not controlled in the interest even of the stockholders of that road. They are not made with reference solely to the movement of traffic, but they are not infrequently made for the purpose of preventing the movement of traffic. Gentlemen assume that we object to the discriminations practiced by railroad companies that are in the interest of hauling freight. This is not it at all. The complaint of the friends of this measure is directed to those rates and practices which are not merely discriminatory, but which are discriminatory and unjustly so, for the purpose of preventing the movement of traffic and not for the purpose of accelerating it, thereby building up the country and building up the railroad corporation itself.

There is no general complaint throughout this country of rates because they are high. Most people who live along a railroad are not only interested in its prosperity, but know they are. My attitude at least, if I may be personal in this matter, is that of one who deems a railroad company a public agency, and I would no more destroy or hamper a railroad company than I would put an obstruction in the public highway or street in front of my house, because both railroad and highway are public agencies and they ought to have my encouragement. And because they are public agencies I want to see them taken care of. The public are interested more in the prosperity of railroads than that of any other business enterprise. Take a section of country like mine, getting service, as such communities generally do, by one railroad, where the conformation of the country determines where railroads may be built. Railroads in my State can not be built as they can be on the western plains, across the country, but they must follow natural lines marked out by the streams. The result is that a railroad company is in a manner a monopoly, and necessarily so in West Virginia to a large extent. The business, then, of the country along the line is dependent absolutely upon the service rendered by that company. Suppose, for instance, that on such a railroad some great industry should become bankrupt and stop, nobody would be harmed except the owners and creditors and those in the immediate neighborhood. But if a railroad should not be prosperous and it should go into bankruptcy and cease to be operated, everybody along the line would suffer irreparable damage. Even if it should not have sufficient prosperity to get new equipment, build new lines, double track, give better stations, and better sidetrack facilities, and better terminal facilities, all those to be served by it would suffer great injury. The public is interested in the railroads. It may regulate them, and should regulate them with due regard to their prosperity as well as to the public service; and it is in that spirit that the committee have drafted this bill and proposed it to the House.

I deem it unfortunate, Mr. Chairman, that the term "rate legislation" has been applied to this legislation, for while it does adequately describe one purpose of the bill, it calls undue attention to that feature and thus tends to obscure the chief objects which we hope to accomplish. There are relatively not many complaints of rates because they are too high in themselves, but the complaint is usually that the railroads adopt practices which work discriminations. They may, and frequently do, accomplish this purpose by means of relatively unfair rates, even by "rates," so called, which are not intended to make money for the road by charging the rate for moving the freight, but to prevent any shipment of the freight or to prevent its being carried to particular markets.

For instance, if I may recur again to my own section of the country, because I happen to be able there to talk in detail, when the coal roads land the freight at the seaboard, it is $1.35 per ton from one district; but the "rate" is liable to change. It is $1.35 a ton if the vessel on which the coal is loaded goes beyond the capes and up to New England, but if the purchaser or shipper of the coal should load it on a vessel, and that vessel should turn and sail up the bay and come to Baltimore or Washington to compete with the Pennsylvania Railroad, then the "rate" is higher on that coal. When we attempt to reach such a practice we are not after a freight rate; we are after an embargo—an unlawful and discriminatory practice which the railroads have denominated a rate. I take it that a rate is not properly so denominated if made for the purpose of preventing the movement of freight, but only when made for the purpose of promoting the movement of freight.

Now, this bill, Mr. Chairman, seeks to accomplish this purpose in this way: In the first place, we define transportation. We undertake, by a definition of the agencies of transportation, to prevent discrimination as far as possible—to prevent rebates and all forms of unlawful discrimination. One of the most important features of this bill is that definition. The bill says:

> The term "railroad," as used in this act, shall include all bridges and ferries used or operated in connection with any railroad, and also all the road in use by any corporation operating a railroad, whether owned or operated under a contract, agreement, or lease, and shall also include all switches, spurs, tracks, and terminal facilities of every kind used or necessary in the transportation of the persons or property designated herein, and also all freight depots, yards, and grounds used or necessary in the transportation or delivery of any of said property; and the term "transportation" shall include cars and other vehicles and all instrumentalities and facilities of shipment or carriage, irrespective of ownership or of any contract, express or implied, for the use thereof and all services in connection with the receipt, delivery, elevation, and transfer in transit, ventilation, refrigeration or icing, storage, and handling of property transported; and it shall be the duty of every carrier subject to the provisions of this act to provide and furnish such transportation upon reasonable request therefor, and to establish through routes and just and reasonable rates applicable thereto.

Now, it has been one of the practices of the carriers of this country when they had formed a combination, to limit the capacity of some of the railroad companies in the combination to carry freight, by limiting the number of cars, and preventing proper arrangements with connecting lines. What was the purpose of that? That does not promote any just and proper interest, or any interest at all, of the railroad so controlled, or its

stockholders. It may be for the interest of the dominating road, not because it is a stockholder in the railroad controlled, but only in the way of preventing competition, not by the railroad directly, but by the product to be hauled by the railroad so subjected to the domination of the other.

Why, I know railroads in this country, Mr. Chairman, which, if they could have been compelled to get equipment, if they could have been protected by the compulsion of law against the power of some dominating railroad, would have been compelled by the "individual initiative" of shippers along their line to get the equipment necessary to render adequate service and would have been very much more prosperous than they are now. The assumption that those who are in favor of this measure are hostile to railroads is a mistake. I do not hesitate at any time to say that so far as I am concerned, I am as friendly to the railroad corporations as I am to the large producer or small producer. All we want is that these great public highways should be open to all the people upon equal terms and reasonable terms, so that the great body of the traffic of this country may move as individual initiative and the demands of commerce would permit, free from any improper restriction, whether voluntarily imposed by the railroads, or imposed upon them by some greater corporation. [Applause.]

Section 15 of the bill embodies that provision which the Interstate Commerce Commission in its last annual report said it deemed to be the most important of all, and the one which is most generally noticed by the public in its consideration of this bill. It provides that—

> The Commission is authorized and empowered, and it shall be its duty, whenever, after full hearing upon a complaint made as provided in section 13 of this act, or upon complaint of any common carrier, it shall be of the opinion that any of the rates, or charges whatsoever, demanded, charged, or collected by any common carrier or carriers, subject to the provisions of this act, for the transportation of persons or property as defined in the first section of this act, or that any regulations or practices whatsoever of such carrier or carriers affecting such rates, are unjust or unreasonable, or unjustly discriminatory, or unduly preferential or prejudicial, or otherwise in violation of any of the provisions of this act, to determine and prescribe what will, in its judgment, be the just and reasonable and fairly remunerative rate or rates, charge or charges, to be thereafter observed in such case as the maximum to be charged.

That has been inserted, Mr. Chairman, not merely because it is demanded by the public, not because the President of the United States favors the proposition, not because some other distinguished public man has favored it, but because almost unanimously the Members of this House who have studied the question believe that the time has come when the traffic of the country, in order to be rendered reasonably free, needs such legislation; and that the railroads themselves, in order to have that protection which they ought to have, against the pressure of combinations of shippers, or against the power of greater railroads, need such legislation.

The Commission, as I said in the earlier part of my speech, did at one time exercise this right——

Mr. STANLEY. Will the gentleman yield for a question?

Mr. GAINES of West Virginia. Certainly.

Mr. STANLEY. I am deeply interested in the able argument the gentleman is making, and I ask this question simply for information, if the gentleman can spare the time. I would like to have him explain what the words "fairly remunerative" mean in the context of the bill.

Mr. GAINES of West Virginia. I should be glad to give my own opinion of what it means. I said a moment ago that the Supreme Court of the United States has used the expression that the legislative body might not fix rates so low that they would be "confiscatory."

It has also said that the common carrier was entitled to a reasonable return upon its property invested for the service rendered. It has been disputed whether the court meant to say that the railroad could have no relief against a rate fixed by a commission unless that rate amounted to confiscation of property. I myself said that I did not deem a discussion of that question of great importance, for I thought that both expressions "confiscatory" and "compensatory" meant the same thing, because it seems to me to amount to confiscation if a reasonable return on a man's property be taken away from him just as much as if the property were taken itself. But, as stating my own opinion and my own desire to have the words "fairly remunerative" in the bill, I did not wish the railroads of this country, I did not wish the investors of the country to think that there was any intention to be unfair to the railroads or to deprive them of what was a fairly remunerative rate for their services.

If any of us are unwilling that the railroads should be fairly remunerated, it seems to me we are open to the charge, which has been made, of hostility to the railroad interests rather than that we are actuated by a desire to protect the rights of the people; and answering specifically, if I may, the question of the gentleman from Kentucky [Mr. STANLEY], I think the effect of the words "fairly remunerative" is just this, that if the Commission should at any time, upon complaint, fix a rate so low that it is not fairly remunerative to the railroads, then the courts of the country would have the right to set aside that rate; but if, on the other hand, the Commission upon a case made should fix a rate at what is fairly remunerative, the courts would have no right to interfere with it.

Mr. GAINES of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GAINES of West Virginia. Certainly.

Mr. GAINES of Tennessee. Will the gentleman tell me the difference between "a reasonable and just rate" and "a fairly remunerative rate?" The three words are practically combined in this bill.

Mr. GAINES of West Virginia. I will say that I think there is no difference between "a reasonable and just" and "a fairly remunerative" rate.

Mr. GAINES of Tennessee. By using the words "fairly remunerative" are we not putting in the bill an expression that no court has ever construed, and putting in what is now and will be a mere "joker," which will clog the law in its practical workings and make lawsuits and ill feeling?

Mr. GAINES of West Virginia. Mr. Chairman, answering one part of the inquiry of the distinguished gentleman from Tennessee, I will say most emphatically that I do not think there is any "joker" in this bill. I hope it goes without saying that I would not be an advocate of such a thing if I thought there was anything of that kind in the bill. Neither do I believe any other Member of this House would, and I do not believe the language the gentleman objects to constitutes any sort of a joker. It is a difficult problem that we are putting up to the courts. I admit that. This language will need to be construed. Why, Mr. Chairman, the greatest argument, as I said a moment ago—to my mind the most important argument—used against this bill and any legislation of this sort is the difficulty of it. It is no part of my theory that rate making, or making a law relative to rate making, is an easy proposition; but my answer to that is that difficult as it is to learn, we still must learn it, because the rights of the public and the rights of the great railroad corporations themselves can only be protected and justly regulated by learning the problem. I read at the outset of my speech the language of the Supreme Court where that court uses at one time the word "confiscatory" and where it uses at another time the words "justly compensatory," and I have referred twice, I think, to the confusion that existed on that subject, some people claiming that the railroad was entitled to just compensation, and that that meant fair remuneration for its services, and others claiming that the only protection the railroad could get from the judgment of the Commission under such a law as this would be to enjoin the judgment of the Commission as being "confiscatory;" and we were unwilling to admit, or I was unwilling for myself, let me say, to admit a rule which would be so unfair as to give the railroads less than what was a fairly remunerative rate. I do not regard it as a joker in the bill, but I will tell you how I do regard it. I regard it as one of the things that will enable the great mass of the people of this country to see that this bill was framed and passed in the interest of justice to the shippers and consumers of the country, and that there was no element of determination to be unjust to the great railroad corporations at the same time.

Mr. GAINES of Tennessee. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from West Virginia yield to the gentleman from Tennessee?

Mr. GAINES of West Virginia. Certainly, Mr. Chairman, I yield with pleasure to the distinguished gentleman from Tennessee. I congratulate the country that it can hear us both in the same speech. [Laughter.]

Mr. GAINES of Tennessee. Well, Mr. Chairman, inasmuch as the gentleman is making such a good speech I would like to have my name go along with his. [Laughter.] If "reasonable and just" mean the same thing as "fairly remunerative," and the former words have been defined time and time again and the term "fairly remunerative" has never been defined judicially, why does the committee use the term "fairly remunerative?" Why should we not strip the statute of any such undefined, and one might say almost undefinable, term as that? I do not want to take the railroad's property, but I think that "reasonable and just" is all that they are entitled to have.

Mr. GAINES of West Virginia. I am sure the gentleman

does not want to take the property of the railroads, and we fix it so that he can not. A court can protect them.

Mr. GAINES of Tennessee. Have they not been protected under the term "reasonable and just?"

Mr. GAINES of West Virginia. Oh, I think they would be protected under that term.

Mr. GAINES of Tennessee. Of course they would.

Mr. GAINES of West Virginia. But I might put another question which would be just as hard to answer. Why substitute "reasonable and just" for "fairly remunerative?" It is a very easy thing for gentlemen to say that "reasonable and just" are easy terms to define and "fairly remunerative" is a term that has not been defined and that is impossible of definition.

The fact is that all three words are easy of definition, but that when it comes to the application, there is where you have the difficulty. Now, let us see what the Supreme Court said in this case of Smith *v.* Ames in undertaking to apply the law:

> We hold, however, that the basis of all calculations as to the reasonableness of rates to be charged by a corporation maintaining a highway under legislative sanction must be a fair value of the property being used by it for the convenience of the public—

Now, that is pretty hard to determine, but wait until the explanation comes—

> And in order to ascertain that value the original cost of construction, the amount expended in permanent improvements, the amount and market value of its bonds and stock, the present as compared with the original cost of construction, the probable earning capacity of the property under particular rates prescribed by statute, and the sum required to meet operating expenses are all matters for consideration, and are to be given such weight as may be just and right in each case.

Now, there is a problem. But the court goes on to say:

> We do not say there may not be other matters to be regarded in estimating the value of the property.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STANLEY. I ask that the gentleman's time be extended ten minutes.

The CHAIRMAN. The committee has no control over the time.

Mr. ADAMSON. Do you desire further time?

Mr. GAINES of West Virginia. Mr. Chairman, I thank the gentleman from Georgia very much, and under the circumstances will only use an amount of time necessary to complete my answer to the gentleman's question; probably five minutes.

Mr. ADAMSON. I can probably give you more than that if you desire it.

Mr. GAINES of West Virginia. I thank the gentleman very much.

Mr. GAINES of Tennessee. Will you cite any case—English or American——

Mr. GAINES of West Virginia. I was answering one question of the gentleman from Tennessee, and perhaps both will be so nearly correlated that I will be able to answer them at the same time.

Mr. GAINES of Tennessee. I am very anxious to find any adjudication, English or American, defining the words "fairly remunerative."

Mr. GAINES of West Virginia. Why, Mr. Chairman, I might challenge the gentleman to define "reasonable." There is no question of the difficulty of definition, but the difficulty is in the application of the rule under any language, and I have just read the language of the Supreme Court. You take the one question that they suggest as a matter of difficulty, in order to determine what is a reasonable return to a railroad, a comparison of the cost of construction with what it would cost to rebuild the railroad. Now, who is there who can handle that proposition very easily? It is full of difficulties in its application. And when it comes to the language used, "fairly remunerative," it is as easily defined as the word "reasonable."

Mr. STANLEY. Is it not true, and I know the gentleman is an excellent lawyer, that the term "just and reasonable," as used in the context of this bill, has been interpreted by the court; and is it not also true where you use a term that is not interpreted by the court that the people, in a way, must guess how the court will interpret this language? Is it not true that all statutes that are new are, to a degree, not interpreted until they are, in a way, interpreted in the legal phraseology used in the courts, and if that be true does not the gentleman from West Virginia think it is better to use the two words which he thinks are practically synonymous, instead of one which must be subject to judicial interpretation?

Now, I do not mean to intimate, of course——

Mr. GAINES of West Virginia. I think, Mr. Chairman, if the gentleman will pardon me, I understand his question. I will apply to this line of inquiry the language of the Supreme Court:

> But it is equally true that the corporation performing such public services and the people financially interested in its business and affairs have rights that may not be invaded by legislative enactment in disregard of the fundamental guaranties for the protection of property. The corporation may not be required to use its property for the benefit of the public without receiving just compensation for the services rendered by it.

Now, says the Supreme Court, and I employ its language to answer all these inquiries directed to the construction of the language of this bill, or to any other language that could be employed:

> How such compensation may be ascertained and what are the necessary elements of such an inquiry will always be an embarrassing question.

As was said in the case last cited, each case must depend on its own special features, and the difficulty that the courts will have, the difficulty that the Commission will have, and the difficulty the lawyers will have who undertake to advise their clients under this law will not be to define the terms "just and reasonable" as used in the statute, or to define the term "fairly remunerative" as used in the statute, but to apply the facts.

Mr. BENNET of New York. Will the gentleman permit a question?

The CHAIRMAN. Does the gentleman from West Virginia yield to the gentleman from New York?

Mr. GAINES of West Virginia. Certainly.

Mr. BENNET of New York. The gentleman stated a moment ago it was the desire of the committee to make a bill which would be fair not only to shippers, but to carriers?

Mr. GAINES of West Virginia. That certainly was the desire of the committee and of myself as a member of it.

Mr. BENNET of New York. And I understand the gentleman to say now that there will be more or less difficulty on the part of attorneys advising their clients as to some of the provisions of the bill?

Mr. GAINES of West Virginia. I did not say that there would be any particular difficulty as to the provisions of the bill. What I said was that the difficulty was inherent in the subject-matter, and that could not be eliminated, because it would still remain there. That the law itself, or the bill proposed, was particularly hard to understand I did not say.

Mr. BENNET of New York. That answers the same purpose. Now, I want to ask him, in view of that state of mind and in view of that fact which the gentleman assumes, what is the argument in favor of penalizing an appealing corporation in a condition such as that to the extent of $5,000 a day when there is so much uncertainty?

Mr. GAINES of West Virginia. The corporation is not to be penalized unless it is violating a continuing order. The trouble is, Mr. Chairman, that some gentlemen take a one-sided view of the question—look at it either entirely from the side of the shippers or entirely from the side of the probable hardships to a railroad company. These orders that the Commission is to make, and which must be obeyed after they have been made thirty days, unless they be suspended, set aside, or modified by the Commission, or set aside or suspended by a court, are not to be made by the Commission except after a full hearing, with notice to all the parties. They are not ex parte rulings. They are the decisions of a public body whose members, although they may understand that their business is to correct violations of a particular law, are yet nevertheless to be presumed generally to do their duty, and do it fairly well—as well as any other public officers.

Mr. RICHARDSON of Alabama. Will my colleague yield to me for a question?

The CHAIRMAN. Does the Gentleman from West Virginia [Mr. GAINES] yield to the gentleman from Alabama [Mr. RICHARDSON]?

Mr. GAINES of West Virginia. Certainly.

Mr. RICHARDSON of Alabama. Now, on the question of confiscation, that I have listened to with so much pleasure, this whole bill is based upon the theory that the Commission can only investigate a challenged rate. Is not that true?

Mr. GAINES of West Virginia. Only the rates that are challenged.

Mr. RICHARDSON of Alabama. Or complained of?

Mr. GAINES of West Virginia. Or complained of.

Mr. RICHARDSON of Alabama. Now, there are thousands or rates, and the gentleman admits that the court has the constitutional right when a rate is confiscatory to so declare it. That means that the rate is so low that the railroads or the common carrier can not possibly realize just and remunerative profits?

Mr. GAINES of West Virginia. That is what I think.

Mr. RICHARDSON of Alabama. How can the question of confiscation ever be brought before a court when but one rate has been challenged amidst thousands of other rates that have not been touched? Can the question of confiscation reach them when but one rate is challenged, one rate has been investigated, one rate has been lowered, and thousands of rates of other railroads have not been touched at all? I agree with the gentleman that the court has got the right to pass upon the question of confiscation, but does he think it practicable that the question of confiscation will arise before a court as long as we have restricted the Commission to a challenge of an individual rate?

Mr. GAINES of West Virginia. I see the force of the distinction so ably and clearly drawn by my distinguished colleague on the committee. But my own opinion is that confiscation of the entire property of a railroad company, or of all its revenues, would perhaps be made up of individual confiscatory decisions which are confiscatory with reference to particular rates. I understand what he refers to, however, and that is an additional reason for using the term "fairly remunerative" in this bill; and I am glad that he called my attention to it, for it enables the committee to understand that the Interstate and Foreign Commerce Committee which proposes to you this bill, while it is attempting to regulate the abuses which have grown up in the matter of transportation in this country, has not at any time intended to be unfair to any interest.

I thank the gentleman very much for the extension of time. [Applause.]

STATEMENT OF COMMISSIONER JUDSON C. CLEMENTS.

Report for the year ending June 30, 1904.

Capital stock outstanding:	
Pennsylvania Railroad Company	$296,504,550
Pennsylvania Company	40,000,000
Baltimore and Ohio Railroad Company	184,244,812
Chesapeake and Ohio Railway Company	62,799,400
Norfolk and Western Railway Company	89,000,000
Philadelphia, Baltimore and Washington Railroad Company	23,494,575
Northern Central Railway Company	11,462,300
Of the stock of the Pennsylvania Company	40,000,000
Pennsylvania Railroad Company owned	40,000,000
Of the stock of the Baltimore and Ohio Railroad Company	184,244,812
Pennsylvania Railroad Company owned	51,773,300
Pennsylvania Company owned	16,044,600
Philadelphia, Baltimore and Washington Railroad Company owned	1,781,500
Northern Central Railway Company owned	1,781,500
Of the stock of the Chesapeake and Ohio Railway Company	62,799,400
Pennsylvania Railroad Company owned	10,130,000
Pennsylvania Company owned	4,000,000
Northern Central Railway Company owned	1,500,000
Of the stock of the Norfolk and Western Railway Company	89,000,000
Pennsylvania Railroad Company owned	25,830,000
Pennsylvania Company owned	6,500,000
Northern Central Railway Company owned	1,500,000
Of the stock of the Philadelphia, Baltimore and Washington Railroad Company	23,494,575
Pennsylvania Railroad Company owned	23,132,200
Northern Central Railway Company owned	352,200
Of the stock of the Northern Central Railway Company	11,462,300
Pennsylvania Railroad Company owned	9,401,950

Names of persons on the board of directors of more than five railway companies.

	Boards.
Green, John P	24
McCrea, James	17
Rea, Samuel	17
Shortridge, N. P	16
Woods, Joseph	16
Turner, J. J	14
Barnes, W. H	14
Taylor, E. B	13
Pugh, Charles E	12
Wood, George	9
Cassatt, A. J	8
Prevost, S. M	8
Morris, E. B	7

It appears that the members of the boards of directors of certain railway companies, mostly in the Pennsylvania Railroad system, as given in their reports for the year ending June 30, 1904, aggregated 395. An analysis of this number shows that 157 directorships were held by 157 persons on one board only; 63 directorships were held by 26 persons on from two to five boards; 175 directorships were held by 13 persons on more than five boards, distributed as follows:

1 person held	24
1 person held	17
1 person held	17
1 person held	16
1 person held	16
1 person held	14
1 person held	14
1 person held	13
1 person held	12
1 person held	9
1 person held	8
1 person held	8
1 person held	7
13 persons held	175

Names of the directors of the Pennsylvania Railroad Company, Pennsylvania Company, Baltimore and Ohio Railroad Company, Chesapeake and Ohio Railway Company, and Norfolk and Western Railway Company, as given in their annual reports for the year ending June 30, 1904.

Pennsylvania R. R. Co.	Pennsylvania Co.	Baltimore and Ohio R. R. Co.	Chesapeake and Ohio Rwy. Co.	Norfolk and Western Rwy. Co.
			Axtell, Decatur.	
		Bacon, Edward R.		
Barnes, Wm. H.	Barnes, Wm. H.			Barnes, Wm. H.
		Baughman, L. Victor.		
Cassatt, Alexander J.	Cassatt, A. J.			
				Doran, Joseph I.
		Cowen, John K.		
Cuyler, T. De Witt.				
			Depew, Chauncey M.	
Ellis, Rudolph				
Fox, Alexander M.				Fink, Henry.
		Gorman, Arthur P.		
Godfrey, Lincoln				
Green, John P	Green, John P.	Green, John P.	Green, John P.	Green, John P.
Griscom, Clement A.				
		Harriman, Edward H.		
Little, Amos R				Johnson, L. E.
McCrea, James	McCrea, Jas.	McCrea, Jas.		McCrea, Jas.
Morris, Effingham B.	Morris, E. B.			
				Morawetz, Victor.
			Newman, Wm. H.	
Patterson, C. Stuart.	Patterson, C. Stuart.			
Prevost, Sutherland M.		Prevost, Sutherland M.	Prevost, S. M.	Prevost, S. M.
Pugh, Charles E.	Pugh, Chas. E			
Rea, Samuel	Rea, Samuel	Rea, Samuel	Rea, Samuel	Rea, Samuel.
		Ream, Norman B.		
		Schiff, Jacob H.		
Shortridge, N. Parker.	Shortridge, N. P.			Shortridge, N. Parker.
		Speyer, Jas		
		Steele, Chas.		
			Stevens, Geo. W.	
		Stillman, Jas.		
	Taylor, Edw. B.			
				Taylor, Walter H.
	Turner, J. J			
			Twombly, H. McK.	
			Wickham, H. T.	
Wood, George	Wood, George			
	Wood, Joseph			

Railroad Rate Bill.

SPEECH

OF

HON. DORSEY W. SHACKLEFORD,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, February 1, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 12987) to amend an act entitled "An act to regulate commerce," approved February 4, 1887, and all acts amendatory thereof, and to enlarge the powers of the Interstate Commerce Commission—

Mr. SHACKLEFORD said:

Mr. CHAIRMAN: The regulation of railroads is one of the most important problems that ever came before Congress for solution. In the performance of this delicate and difficult task we shall have to exercise our clearest judgment, be governed by the strictest fairness, and prompted by the most patriotic motives, or we shall do that for which generations will suffer. Managers of railroads have in so many instances violated the principles of fair dealing and outraged every sense of justice that the indignation of the people has been aroused. Yet we must still be controlled by a spirit of conservatism.

We must realize that, in fact, the railroads belong to the public, and that any injury done to them would be injury inflicted upon the people. No other instrumentality has contributed so much to our commercial greatness and superior civilization as our railroads. Wherever they have extended into prairie wastes or wooded wilderness, gardens and fields have bloomed and fruited, schoolhouses and churches have dotted the valleys and adorned the hills, and the highest civilization has possessed the land. We should not forget the obligation we owe to the bold-spirited capitalists who built our railroads and thus added so much to the development of the country. Then, too, we owe it to the people to refrain from the enactment of repressive legislation tending to check the building of additional railroads. There are yet thousands of miles of railroads needed in this country.

Mr. Chairman, we should also remember the thousands who operate the railroads. They are among the most intelligent, the best, and the bravest of our people. We grow wild with enthusiasm when we contemplate the achievement of Dewey at Manila or of Schley at Santiago. It is proper that we should. But, sir, more gallant still are the brakemen, the firemen, the conductors, the engineers, who, in daylight and in darkness, bravely drive their trains across the continent, carrying the vast commerce of this great people. We should be recreant to our trust if we should do anything here to inflict the slightest injury upon this most worthy and deserving class.

But, sir, above all, we must be true to the great body of the people. We must enact laws which will guarantee to them equality of opportunity and immunity from extortion.

Nobody longer questions the power of Congress to regulate interstate commerce. Necessarily incidental to this power is that of operating, regulating, and controlling the means and facilities used in the transportation of such commerce.

It is interesting to consider the growth of sentiment in favor of railroad regulation which has taken place in the last ten or twelve years. I wish it were possible to pursue this subject without entering into a discussion of party politics; but it is not. I heard the Speaker say on one occasion that ours is a Government by party. That is measurably true. The parties go before the people on issues and whichever wins is, in a sense, chargeable with the conduct of the Government. Sir, I belong to a party as old as the Union, whose boast is that it contends for measures—not men. [Applause on the Democratic side.] We advocate those measures which we believe would be best for the people; and we feel that we have won when the principles we espouse become the law of the land. We may incidentally regret that we can not also get the offices, but our disappointment in that behalf is reduced to the minimum when we behold the spectacle presented in this House to-day of the solid Republican party and the solid Democratic party standing as one man upon a plank of the Bryan platform. The Democratic platform adopted at Chicago in 1896 contained the following:

> The absorption of wealth by the few, the consolidation of our leading railroad systems, and the formation of trusts and pools require a stricter control by the Federal Government of those arteries of commerce. We demand the enlargement of the powers of the Interstate Commerce Commission and such restriction and guaranties in the control of railroads as will protect the people from robbery and oppression.

The Republican platform of that year did not contain a single word upon the subject. Where was Mr. Roosevelt then? In the forefront of the Republican ranks denouncing our platform as anarchy. With the aid of the railroads, the trusts, and consolidated capital the Democrats were beaten.

In 1900 the Democratic platform declared:

> We favor such an enlargement of the scope of the interstate-commerce law as will enable the Commission to protect individuals and communities from discriminations and the public from unjust and unfair transportation rates.

Again the Republican platform was silent on the subject. Again the Republican party, with the aid of the railroads, the trusts, and special interests, triumphed.

In 1904 the Democratic party met in national convention and put into its platform the following plank:

> Individual equality of opportunity and free competition are essential to a healthy and permanent commercial prosperity, and any trust, combination, or monopoly tending to destroy these by controlling production, restricting competition, or fixing prices should be prohibited and punished by law. We especially denounce rebates and discrimination by transportation companies as the most potent agency in promoting and strengthening these unlawful conspiracies against trade.
>
> INTERSTATE COMMERCE.
>
> We demand an enlargement of the powers of the Interstate Commerce Commission, to the end that the traveling public and shippers of this country may have prompt and adequate relief for the abuses to which they are subjected in the matter of transportation. We demand a strict enforcement of existing civil and criminal statutes against all such trusts, combinations, and monopolies, and we demand the enactment of such further legislation as may be necessary to effectually suppress them.
>
> Any trust or unlawful combination engaged in interstate commerce which is monopolizing any branch of business or production should not be permitted to transact business outside of the State of its origin. Whenever it shall be established in any court of competent jurisdiction that such monopolization exists such prohibition should be enforced through comprehensive laws to be enacted on the subject.

Still a third time the Republican platform was as silent as the grave on the subject. Again the Republicans, the railroads, the trusts, the tariff barons, the McCalls, the McCurdys, with the indispensable campaign contributions, under the leadership of Mr. Roosevelt, rode us down, and it seemed our cause was lost forever; but Mr. Roosevelt—always with his ear to the ground—found that the Democratic teachings of those three campaigns had taken such a hold on the mind and conscience of the people that they could not longer be withstood. He determined to change front and do what many another had done before him, pay to virtue the debt he owed to necessity. He sent in his message favoring rate regulation. If he really favored such legislation—if the Republican party really favored it—why was it not enacted ten years ago? The Republicans had the necessary majority. What a triumph for Democracy now to behold a Republican Congress at this late day whipped into passing a measure demanded by the Bryan platform of 1896.

The bill now under consideration was prepared and reported by one of the greatest committees of this House. It bears the name of as able, honest, and patriotic a man as is on this floor—the Hepburn bill. The gentleman from Iowa is a Republican of the strictest sect, with whom I radically disagree on many political and economical questions of the hour; yet I should do myself injustice if I did not in this presence declare it to be my opinion that in industry, training, ability, and devotion to his country he is the peer of any man here. This bill is the result of his best efforts and best judgment. It contains so much of merit that I shall give it my support.

But, Mr. Chairman, while this bill is a long, definite step in the right direction, it stops far short of the goal.

From the beginning of the agitation on this subject it has been my opinion that Congress should enact a comprehensive law giving to the country complete relief from the transportation abuses which have burdened the people and built up the trusts. With that object in view I joined Mr. LAMAR at the last session in the report of the Hearst-Shackleford-Lamar bill. It was far more remedial and thorough than this, as I shall presently show. For reporting that bill both Mr. LAMAR and I have incurred some displeasure and suffered some inconvenience.

It has been said that in reporting the Hearst-Shackleford-Lamar bill we violated a resolution of a Democratic caucus. It is not true. The resolution of the caucus was:

> *Resolved*, That it is the sense of this caucus that we approve the provisions of the Davey bill.

It was not the Davey bill, but the "provisions" of the Davey bill that were approved. Standing alone, the little, short, naked Davey bill was too rich in poverty and paucity to be offered by a Democratic caucus or a Democratic Congressman as the sum total of what we should enact. As far as they went, though somewhat inaptly expressed, the "provisions" of the Davey bill were sound, and all of them in better form were embraced in the Hearst-Shackleford-Lamar bill. I shall insert as an appendix to these remarks both bills.

It is not true, then, that Mr. LAMAR and I violated the caucus. He who says that we did states that which he knows to be a willfull, deliberate, premeditated falsehood. This statement shall stand as my characterization of any man who shall hereafter make or renew that accusation against me.

In reporting our bill at last session it was my purpose to submit to the consideration of the House some of those provisions which the people of Missouri believe should be contained in any measure having for its object the regulation of railroads. While I was cast down at the rough treatment our bill received at last session—the House leaders not even allowing it to be voted on—I am now correspondingly lifted up at finding many of its provisions rewritten or recast into this, the Hepburn bill.

But, Mr. Chairman, many of the best features of our bill are omitted from this bill.

Our bill of last session contained the following:

> SEC. 2. That the provisions of the act to regulate commerce, approved February 4, 1887, and acts amendatory thereof and supplemental thereto, shall apply to all transportation of interstate commerce over any line of railroad and also to such transportation over any part water and part rail route used for through shipment or through carriage.

This would have placed express companies under the superintending control of the Commission. A large part of the commerce of the people is carried by the express companies. Four of the larger express companies have an aggregate capital of $60,000,000. They have 40,000 agencies and 50,000 employees.

Last year they carried 100,000,000 packages of freight, 20,000,000 money packages, and 7,000,000 money orders. If their business were done at reasonable rates it would increase tenfold. The railroads ought to furnish this service themselves; but if they will not, then the express companies, to whom it is farmed out, should be required to do it at reasonable rates. Express companies are common carriers, and no good reason can be assigned why they should not be regulated to the same extent as railroads. Their rates now are very excessive and oppressive. The bill under consideration does not seek to regulate them, and if nobody else does it I shall, at the proper time, offer an amendment to cover that omission.

Another serious omission of this bill is a provision empowering the Commission to inquire into the reasonableness of any proposed advance in rates by a railroad. When a railroad gives notice of an intention to advance any rate, the Commission should have power to investigate the reasonableness of such proposed advance and make a proper order in relation thereto. Under this bill no such power would exist. A railroad could freely raise any rate, and its reasonableness could not be inquired into by the Commission until such rate had gone into effect and been complained against. Suppose the coal trust should stock itself up with coal at Kansas City, and on October 1 the railroads should give notice that on November 1 they would raise rates on coal. No complaint could be made against this rate under this bill until it had gone into effect—November 1. Then it would require thirty days for the Commission to give proper notice to the roads, hear the complaint, and make its finding. This would occupy until December 1. Then the order would not go into effect for thirty days, which would carry it to January 1. The excessive rate would have been in effect from November 1 to January 1, and during that sixty days the coal trust would have had a monopoly in the sale of coal in the middle of winter when the demand was greatest. The Hearst-Shackleford-Lamar bill contained the following:

> That when notice of advance in rates, fares, or charges shall be filed with the Commission the said Commission shall have authority to inquire into the lawfulness of such advance and make orders in respect thereof to the same effect as if such advanced rate, fare, or charge were actually in force.

I shall offer to add this by way of amendment to the present bill.

Another grave omission from this bill is want of power of the Commission to make or control classifications of freight. All regulation must fail without this power. If railroads are to keep unregulated control over freight classifications, then they can at any time raise a rate by simply shifting the classification. With full power over classification the most outrageous discrimination can be made in favor of some communities against others. The Commission should have full power over classification and should adopt and enforce a uniform classification throughout the country. The Hearst-Shackleford-Lamar bill of last session provides:

> The said Commission may prescribe the form, contents, and arrangement of all schedules of rates, fares, and charges, and it shall be the duty of said Commission to make orders from time to time, as may be practicable, with a view of securing uniformity in freight classification and the use of rate schedules, containing concise and easily understood provisions and regulations.

I shall offer a similar provision as an amendment to this bill.

Another provision of the Hearst-Shackleford-Lamar bill omitted from this is:

> Whenever any common carrier subject to the provisions of this act shall fail or refuse, after reasonable notice, to furnish cars to shippers for the transportation of freight as interstate commerce, or to forward and deliver such freight at destination within reasonable time, such failure or refusal shall be deemed to constitute unjust discrimination and undue and unreasonable prejudice and disadvantage, and in any case or proceeding pending before the Commission or any circuit or district court of the United States based upon such failure or refusal on the part of any such common carrier, proof that in the furnishing of cars or forwarding or delivery of its traffic other shippers have been preferred shall not be required.

This should be added to the present bill by way of amendment. Without some such measure the people will be at the mercy of the trusts. Sir, the coal combination, the steel trust, the Standard Oil trust, owe their very existence to the transportation preferences which they have received. The country is strewn with the wrecks of private fortunes invested in coal mines which could not be operated successfully only because the railroads discriminated against them in furnishing cars and facilities. The law must provide some remedy for this great evil or the trusts will keep their hands clutched on the throats of the people.

Any measure for the regulation of railroads that shall pass here that does not abolish differentials will prove to be a most dismal failure. Everybody agrees that the worst evil in our transportation is discrimination—giving to one shipper or to one community preferential rates not given to others. The favored shipper or favored locality enjoying the preferential rate fattens upon the special privilege, while other shippers and other communities against whom the discrimination is made suffer loss. What is a differential? It is a preferential rate given to a shipper or community; it is a discrimination against everybody except the lucky person or community to whom the preference is given. Differentials can not be eradicated except by the enactment of an unconditional long and short haul clause, and a provision expressly denying the Commission the power to compel a railroad in any case to raise a rate which it has duly filed and published.

Mr. HENRY of Texas. Suppose there is a rate from St. Louis through Dallas to Galveston where there is water competition and a rate over the same line from St. Louis to Dallas where there is no water competition. The railroad would have to meet the water competition at Galveston. Does the gentleman contend that the Dallas rate, being reasonable, ought to be reduced to the Galveston rate?

Mr. SHACKLEFORD. I do. In the first place it is not likely that the Galveston rate is less than reasonable. It is probable that the railroad has put it high enough to afford fair compensation for the service. If the Galveston rate is reasonable, then a higher rate for a shorter distance over the same road to Dallas would be unreasonable and excessive. But even if the Galveston rate were less than a reasonable compensation for the service I should still say the Dallas rate ought to be no higher. While it is true that a railroad is entitled, as a matter of right, to receive reasonable compensation for the service it performs, it is also true that being a public service it must be performed without preference or discrimination. To charge a higher rate from St. Louis to Dallas than is charged over the same line through Dallas to Galveston would be a most wanton discrimination against the people of Dallas. No Dallas man could afford under such conditions to engage extensively in business or manufacture, because he could be undersold and destroyed by his Galveston competitor who had a preferential freight rate. The natural advantages of Dallas would be nullified, her business taken away from her and given to Galveston by railway preference and discrimination. By such a rule all the inland cities of Texas would be made subsidiary to Galveston. How? By an unfair, preferential, discriminating use of the railroads, which are public property, built for the uniform and reasonable use of all of the people on terms of exact equality. Oh, but the gentleman says: "The railroads running into Galveston have got to meet water competition." I challenge the accuracy of that statement. That is an error into which many Members of this House and the Commission have fallen. The railroads do not have to meet water competition. They not only do not have to meet water competition, but they have no right to meet it when to do so requires them to put in less than a reasonably compensatory rate. Will some gentleman state a valid reason why a railroad should meet water competition if to do so would require freight to be carried at a loss?

If railroads and ships were mere private property, as some here seem to think, then the railroads might justify themselves for competing with water transportation at losing rates on the ground that it was done to drive out water competition and secure the business. But the railroads are not in any sense private property, nor is a ship. Both belong absolutely to the public. Then, sir, what shall we say of the public if it shall be found operating its railroads for the purpose of destroying its boats and ships? You ask that there shall be enacted here a law that will permit a railroad to carry traffic to Galveston, Chicago, Buffalo, or to our river points at a rate that will not remunerate it in dollars and cents, the only remuneration being that it drives out water competition. To meet that I believe the law should consider the fact that the railroad has put in a given rate to such water port as conclusive evidence that such rate is fairly and reasonably remunerative, and it should not be permitted to charge any higher rate for any shorter distance over the same line.

Mr. HENRY of Texas. I made no such statement. I simply wanted to hear the gentleman's views. He has quoted Judge Prouty. Judge Prouty made this statement before the Senate committee:

> Now, I take it that the Congress of the United States may say, with respect to interstate transportation, that in no case should less be charged for a long haul than for a short haul. It would be a very foolish thing to say; it would produce a very disastrous effect upon railways in some parts of this country; but I think Congress might say it, and if Congress did say it, the railways would be obliged to comply with it.

Mr. SHACKLEFORD. Yes, Judge Prouty says Congress has the power to enact the long and short haul clause without limi-

tation, but he also says that Congress ought not to exercise the power.

Mr. HENRY of Texas. That is what I say, with certain limitations.

Mr. SHACKLEFORD. That Congress ought to put it into the power of the Commission to establish and maintain differentials. What is a differential? As construed by the railroads and the Commission, a differential is a permission given to railroads to go into water ports at losing rates and drive out the ships and boats and then make up their losses by charging exorbitant and oppressive rates to intermediate points. Let me submit an example: At one time, under the very eyes of the Commission the rate from New York to Ogden was the full rate from New York, through Ogden, to San Francisco, plus the local rate from San Francisco back to Ogden. Sir, that is a differential. A differential which would be removed by a long and short haul provision, which Judge Prouty thinks Congress has power to enact, but that it would be very foolish to do it. What is the effect of such a differential on the people of Ogden? They can not engage in manufacturing, because their San Francisco competitors have a more favorable rate at which to bring in their raw material and ship out their finished product. So that under this system of differentials, purely artificial and tyrannical, the jobbing business, the manufacturing business of Ogden is destroyed.

Mr. Chairman, for sociological reasons I am opposed to every form of differential. What, sir, is the greatest menace to our country? The congested population of our great cities. Where do you expect to hear of the next alarming disorder, riot, or insurrection? In the peaceful limits of some agricultural section or moderate-sized town? No; but in the crowded streets of some great metropolis, where poverty and vice and crime run riot. What is the influence that has robbed the country and smaller towns of so many of their people and built up the enormous population of our great cities? It has been accomplished by our ill-advised transportation system. I should like to see such conditions prevail that every laboring man and his family could live in a cottage, with a lawn and trees in front and a garden back; where he could have his chickens and cow—where he and his family would be respectable and respected members of the society in the midst of which they lived, instead of going off for employment to some crowded city where he and his family should have to climb three flights of steps from some back alley to find their home in some old rookery.

Take my district, for example. Why is it that factories of one kind and another are not scattered through it at Jefferson City, Columbia; Boonville, Tipton, California, Versailles, Eldon, and other suitable places? Sir, it is because of the accursed differential that gives St. Louis or Chicago better rates. The man who desires to engage in manufacture would rather do it at one of the towns I have named. He could have more reliable and better satisfied labor. He could get his factory site very much cheaper and erect his building for less money. He could get more ground for switches, spurs, and side tracks. Why, then, does he not locate in one of these pleasant and healthful cities? Because, sir, the differential in favor of St. Louis discriminates too severely against them. So it is that the differential renders it necessary that the laboring man must go to the city to find work, where often he falls into that great army of unrest which threatens the peace of our country and the stability of its institutions. Let us abolish absolutely all differentials, and we shall then find our population and our industries disseminated throughout the country. Then love of home, love of country, higher citizenship will grow.

It is contended by some that we should leave the differential to the control of the Commission; let it say whether or not a differential shall be allowed in a given case. "Oh, can not you trust the Commission?" say they. No, Mr. Chairman, we can not trust the Commission. They will be mere human beings with like passions and prejudices as ourselves. They will be subject to the same frailties as other men in other positions. Sectionalism will unconsciously enter into the making up of their judgments. No higher standard of manhood exists anywhere than in this House, yet every Member here from Colorado, where they grow beet sugar, believes there ought to be established and maintained a differential in favor of the sugar grower, even though this special favor placed a special burden on the rest of the people. On the other hand, every Member here from Missouri, where the only use they make of sugar is to buy it and consume it, thinks that the special favor shown the beet-sugar grower is a burden and discrimination against the rest of the people. Both are honest. Put a man on the Commission from Philadelphia, and he will most likely believe that a differential should be maintained that would enable his city to participate in the great commerce of the Mississippi Valley. Put a man on the Commission from New Orleans, and he will think no such differential should exist.

The past record of the Commission is not such as to inspire absolute confidence. I think an examination would show that for every case it has rightfully decided against the railroads it has erroneously decided five against the people. Let us confer upon the Commission all needed power, but let us at the same time define the limits of their power and prescribe the rules under which they shall exercise it.

I voted last year for a law giving power to the Commission to regulate railroads. I shall vote for this bill now; but, Mr. Chairman, when the people have fully studied the question we will have such a system of regulation that the people will not have to go to a paternal commission to secure their rights. Laws will be written upon the pages of our statute books against differentials, against discriminations, against extortion, against overcharges as they are now written against larceny, against burglary, against murder. Penalties will be provided ample to assure enforcement of the law, and whosoever shall violate the law will be arraigned in court and dealt with as any other lawbreaker. Let me show you how we regulate a railroad in one particular out in Missouri. Our law provides that the railroad shall fence its right of way, and that if it shall fail to do so it shall be liable to double the amount of damages that shall result from such failure. This penalty is enforced in court without the aid of any commission. There is scarcely a rod of fence along a railroad in the State that is not up to the lawful standard.

Mr. Chairman, I have said that the railroads already belong to the public. Some seem to regard this as heresy. This is no new doctrine. The constitution of Missouri provides: "All railroads are hereby declared to be public highways." This was but declaratory of what was already the common law of the land. In discussing this the supreme court of Pennsylvania said that a railroad built by authority of the State for the general purposes of commerce is a public highway, and in no sense private property; that a corporation authorized to run it is a servant of the State as much as an officer legally appointed to do any other public duty. Judge Jeremiah Black, the Pennsylvania lawyer and statesman, discusses the question thus:

> It will, I think, be admitted by all persons of average intelligence that the companies are not the owners of the railroads. The notion that they are is as silly as it is pernicious. It is the duty of every commercial, manufacturing, or agricultural State to open thoroughfares of trade and travel through her territory. For that purpose she may take the property of citizens and pay for the work out of her treasury. When it is done she may make it free to all comers or she may reimburse the cost by levying a special tax upon those who use it, or she may get the road built and opened by a corporation or an individual and pay for it by permitting the builder to collect tolls or taxes from those who carry and travel on it. But in all cases the proprietary right remains in the State and is held by her in trust for the use of the people.

On another page he says:

> The functions of railroad corporations are as clearly defined and ought to be as universally understood as those of any servant which the State or General Government employs. Without proprietary right in the highways, they are appointed to superintend them for the owners. They are charged with the duty of seeing that every needed facilities for the use of those thoroughfares shall be furnished to all citizens, like the justice promised in the Magna Charta, without sale, denial, or delay. Such services, if fully performed, are important and valuable, and the compensation ought to be a full equivalent; accordingly, they are authorized to pay themselves by levying upon all who use the road a tax or toll or freight sufficient for that purpose. But this tax must be reasonable, fixed, certain, and uniform, otherwise it is a fraud upon the people which no department of the State government, nor all of them combined, has power to legalize.

There is a correct exposition of the law. Every railroad is the absolute property of the State. Of course, incidentally, those who build and operate them are entitled to a fair return upon their investment and a reasonable compensation for the services they perform. This return and compensation they are to get by levying a tax or charge upon the passengers and freight they carry. Like all other taxes, this must be levied with uniformity and without preference or discrimination. The company operating the road is the servant of the State. Railroads being, then, the property of the State, the remaining question is, How shall the State operate or direct their operation? If any plan can be found by which they can be operated by the corporations who now control them with efficiency, fairness, and equality to the public, then it seems to me that were the best policy. But if it shall be found that all attempts to regulate and control those who operate them shall fail, if no means can be found to compel them to be operated upon reasonable charges and without preference or discrimination, and to furnish to shippers speedy and adequate facilities for the transportation of commerce, then I for one should favor the State taking them over and operating them herself.

The railroad companies make much complaint at the attempts of the Government to in any manner regulate or control their

operations. They declare that the railroads are their own private property and they have a right to manage and control them as they choose. They leave nothing undone in their endeavors to defeat any legislation that looks to their regulation. They spend their money freely in the elections to defeat those who do not favor their view. They resort to the most radical and outrageous measures to enable the trusts to despoil the people. The country has become aroused and the people demand relief. In my judgment it were the better policy for the railroad companies themselves to join in an endeavor to secure the enactment of a fair and reasonable law regulating transportation. By opposing such legislation they only make an indignant people more indignant.

If socialism shall ever overspread this country, it will be the result of the misconduct of the possessors of great wealth. Public opinion has determined that the trusts shall be routed from their strongholds. There is not a trust in existence to-day which could have ever grown to proportions making it dangerous to the welfare of the people had it not enjoyed some transportation preferences. No fair-minded man desires to take from any corporation any of its rights. On the other hand, everybody believes that the corporations and other possessors of great wealth should respect the law and the rights of the people. Let the corporations beware. By their lawless course they are calling down vengeance upon their own heads. We hear many railroad men declare that the present agitation for rate regulation is but a step toward the government ownership and operation of the railroads. If that shall ever be consummated, it will be due to the misconduct of the railroad men themselves. Whenever I have been asked whether I favored government ownership of railroads I have always answered that between governmental ownership of railroads and railroad ownership of the Government I am ready promptly to make my choice. I believe the rank and file of the American people feel the same way. It is up to the railroad men to show themselves amenable to the law and ready to be governed by principles of fair dealing. They can not longer stand upon the platform of "The public be damned."

APPENDIX No. 1.

THE DAVEY BILL.

Be it enacted, etc., That when hereafter, upon complaint made and after investigation and hearing had, the Interstate Commerce Commission shall declare a given rate, whether joint or single, or regulation, or practice, for transportation of freight or passengers, unreasonable or unjustly discriminative, it shall be the duty of the Commission, and it is hereby authorized to perform that duty, to declare, at the same time, what would be a fair, just, and reasonable rate, or regulation, or practice in lieu of the rate, regulation, or practice declared unreasonable; and the new rate, regulation, or practice so declared shall become operative twenty days after notice: *Provided*, That the Commission shall in no case have power to raise a rate filed and published by a carrier.

SEC. 2. That whenever, in consequence of the decision of the Interstate Commerce Commission, a rate, regulation, or practice has been established and declared as fair, just, and reasonable, and litigation shall ensue because of such decision, the rate, regulation, or practice fixed by the Interstate Commerce Commission shall continue as the rate, regulation, or practice to be charged by the carrier during the pendency of the litigation and until the decision of the Interstate Commerce Commission shall be held to be error on a final judgment of the questions involved by the United States court having proper jurisdiction, but no proceeding by any court taking jurisdiction shall consider any testimony except such as is contained in the record.

APPENDIX No. 2.

THE HEARST-SHACKLEFORD-LAMAR BILL.

Be it enacted, etc., That hereafter when the Interstate Commerce Commission shall, in any case pending before it under the act to regulate commerce, approved February 4, 1887, as amended and supplemented by other acts of Congress, find that a rate for the transportation of freight or passengers is unreasonable or unjust, it shall determine what would be a reasonable and just rate in such case, and shall order that the rate so found to be reasonable and just shall be substituted for the rate so found to be unreasonable or unjust: *Provided, however*, That in no case shall the Interstate Commerce Commission have any power to order any carrier to raise any rate which it has duly filed and published.

SEC. 2. That the provisions of the act to regulate commerce, approved February 4, 1887, and acts amendatory thereof and supplemental thereto, shall apply to all transportation of interstate commerce over any line or lines of railroad, and also to such transportation over any part water and part rail route used for through shipment or through carriage.

SEC. 3. That all persons, copartnerships, joint stock companies, associations, and corporations owning or operating, or both owning and operating, any private freight cars or any freight cars not owned by a railroad company, used in interstate commerce, are hereby declared to be common carriers and are hereby made subject to all the provisions, so far as they are applicable, of the act to regulate commerce, approved February 4, 1887, and all acts amendatory thereof and supplemental thereto.

SEC. 4. That all terminal facilities, tracks, switches, spurs, freight depots, warehouses, and all facilities used or necessary, and all acts and services performed or necessary in relation to the forwarding and transportation of any interstate commerce and the preservation and safety of the same in transit, are hereby made subject to the provisions, so far as they may be applicable, of the act of Congress to regulate commerce, approved February 4, 1887, and all acts amendatory thereof and supplemental thereto.

SEC. 5. That when the rate fixed by the Commission is a joint rate and the carriers parties thereto fail to agree upon the apportionment thereof among themselves within twenty days after notice of such order, the Commission may issue a supplemental order fixing the portion of such joint rate to be received by each carrier party thereto.

SEC. 6. That it shall not be lawful for any common carrier subject to any of said acts, or any company or person acting for or in the stead of such common carrier, to advance, reduce, or cancel any individual or joint rate, fare, or charge now or hereafter in force over the route or line of such common carrier unless or until notice thereof, plainly showing the change intended to be made in such rate, fare, or charge, and the date when the same shall take effect, shall have been filed with the Interstate Commerce Commission and posted in all depots or stations where passengers or freight are received for transportation under such rate, fare, or charge for at least thirty days prior to the date when such change is to become effective: *Provided, however*, That said Commission may, for good cause shown, upon special application, allow a particular rate, fare, or charge to be changed upon shorter notice published and filed as aforesaid. No joint rate, fare, or charge shall become effective until all carriers named as parties thereto shall have concurred therein by signing the rate schedule or filing general authorization or specific notice of concurrence with the Commission; and any common carrier enforcing any schedule of joint rates, fares, or charges which shall not have been concurred in by all carriers parties thereto, or any schedule of rates, fares, or charges which shall not have been published and filed as required by this section, shall be subject to a forfeiture of $100 for each day such unlawful tariff shall be published or enforced. The said Commission may prescribe the form, contents, and arrangement of all schedules of rates, fares, and charges, and it shall be the duty of said Commission to make orders from time to time, as may be practicable, with a view of securing uniformity in freight classification and the use of rate schedules containing concise and easily understood provisions and regulations.

SEC. 7. That when any notice of advance in rates, fares, or charges shall be filed with the Commission, the said Commission shall have authority to inquire into the lawfulness of such advance and make orders in respect thereof to the same effect as if such advanced rate, fare, or charge were actually in force. The provisions of this section shall also apply to notice of any change in classification of freight or other regulations affecting rates.

SEC. 8. That when in any investigation made by the Interstate Commerce Commission it shall be made to appear to the satisfaction of the Commission that anything has been done or omitted to be done by any common carrier, respondent or defendant, in such proceeding in violation of the provisions of the act to regulate commerce, approved February 4, 1887, or any act amendatory thereof or supplemental thereto, or of the provisions of this act, it shall be the duty of the said Commission forthwith to cause a copy of its report in respect thereto to be delivered to such common carrier, together with an order or orders directing such common carrier, its officers and agents, and any receiver or trustee of its property, to wholly cease and desist from such violation, and to establish, put into effect, and maintain such individual rate, fare, charge, relation of rates, fares, or charges, joint rate, fare, or charge, and division thereof, classification of freight articles involved in the proceeding through and continuous carriage over connecting lines or roads, including intersecting switches or connections, and regulations concerning transportation, including the furnishing and apportionment of cars, the provision of other facilities connected with or incidental to transportation, and the receiving, forwarding, and delivery of traffic, as in the judgment of said Commission may be necessary to prevent the continuance in any degree of such violation. That whenever any common carrier, subject to the provisions of this act, shall fail or refuse, after reasonable notice, to furnish cars to shippers for the transportation of freight as interstate commerce, or to forward and deliver such freight at destination within a reasonable time, such failure or refusal shall be deemed to constitute unjust discrimination and undue and unreasonable prejudice and disadvantage, and in any case or proceeding pending before the Commission or any circuit or district court of the United States based upon such failure or refusal on the part of any such common carrier, proof that in the furnishing of cars or forwarding or delivery of its traffic other shippers have been preferred shall not be required.

SEC. 9. That subject to the proceeding in review hereinafter provided every order issued by the Interstate Commerce Commission under the authority of this act shall become effective and be obeyed by the carrier or carriers mentioned in such order on and after the date specified for compliance in such order: *Provided*, That whenever any such order requires changes in rates, fares, or charges, classification of freight, or regulations affecting the compensation of any carrier, it shall not go into effect until after the expiration of thirty days from the date of service thereof upon the carrier. All orders of the Commission amending or modifying orders previously issued, if made upon application of the carrier, shall become effective as therein provided. The Commission shall have authority at all times to alter, modify, add to, or vacate any order it shall have issued. In case any person, company, or corporation other than a carrier, who may be interested in the traffic or transportation involved, shall be included as a party defendant or respondent in addition to the carrier in a proceeding before the Commission, orders may issue against such additional party in the same manner, to the same extent, and subject to the same provisions as are authorized with respect to carriers.

SEC. 10. That there is hereby created a court to be known as "the court of interstate commerce," which shall consist of three justices, of whom two shall constitute a quorum. Said court shall be a court of record, with jurisdiction as hereafter defined. The justices shall be appointed by the President, by and with the advice and consent of the Senate, and shall, unless removed by the President for just cause, hold their offices during good behavior. The salary of each justice shall be $7,500 per year, payable in the same manner as salaries of judges of other courts of the United States. The provisions of section 714 of the Revised Statutes of the United States, relating to the retirement of judges of the United States courts, shall apply to the justices of the court of interstate commerce. Such court shall prescribe the form and style of its seal and the form of writs and other process and procedure as may be conformable to the exercise of its jurisdiction. The court shall appoint a clerk, who shall perform and exercise the same duties and powers in regard to all matters within its jurisdiction as are now exercised and performed by the clerk and reporter of the Supreme Court of the United States, so far as may be applicable. The salary of the clerk of the court shall be $3,000 a year, payable in the same manner as the salaries of the justices of said court. The court shall

have power to establish all rules and regulations for the conduct of the business of the court within its jurisdiction as conferred by law. The court shall have authority to appoint and fix the compensation of such deputy clerks or attendants as it may find necessary to the proper performance of its duties. The salaries of the officers and all the expenses of the court, including all necessary expenses for transportation incurred by the justices of the court, or by the marshal, or clerk, or any deputy clerk, or attendant of the court, upon official business in any other place than in the city of Washington, shall be allowed and paid out of the appropriation for salaries and expenses of the courts of the United States upon presentation of itemized vouchers therefor. The general sessions of the court shall be held in the city of Washington, but whenever the convenience of the public may be promoted, or delay and expense prevented thereby, the court may hold sessions in any part of the United States. The court shall be furnished by the Attorney-General of the United States with suitable offices and all necessary office supplies.

SEC. 11. That said court of interstate commerce shall have exclusive jurisdiction to review all orders of the Interstate Commerce Commission and summarily to enforce performance thereof by writs or other proper process. The said court shall also have exclusive jurisdiction in all proceedings brought by or upon the request of the Interstate Commerce Commission under section 3 of an act to further regulate commerce with foreign nations and among the States, approved February 19, 1903. The said court shall also have exclusive and all necessary jurisdiction to enforce, upon the petition of the United States or of the Interstate Commerce Commission, the requirements of the act to regulate commerce approved February 4, 1887, and acts amendatory thereof and supplemental thereto, in respect of the filing and publication of schedules of rates, fares, and charges of common carriers subject to the provisions of said acts. Disobedience of any order, writ, or other process of said court shall constitute contempt of said court, punishable by a fine payable into the Treasury of the United States of $5,000 for each offense, or by imprisonment for not more than one year, or by both such fine and such imprisonment. Every distinct violation of any such order, writ, or other proper process of said court shall be a separate offense, and each day of the continuance of such violation shall be deemed a separate offense.

SEC. 12. That any party to a proceeding before the Interstate Commerce Commission aggrieved by an order of said Commission may, within thirty days after issuance of such order, file with said court a petition for review. Upon the filing of such petition it shall be the duty of the clerk of the said court to serve a copy thereof upon the Interstate Commerce Commission, and after service of such copy of petition upon the Interstate Commerce Commission it shall be its duty within twenty days thereafter to cause to be filed in said court a duly certified copy of the entire record in connection with the order to be reviewed, including the petition, answers, testimony, report, and opinion of the Commission, its order, and all other papers in connection therewith. Said court shall thereupon, as speedily as may be, proceed to review the order appealed from as to its justness, reasonableness, and lawfulness upon the said record returned by the Commission, and thereupon, if, after hearing the parties, said court shall be of the opinion that such order is unjust, unreasonable, or unlawful, it shall modify, set aside, or annul the same by appropriate decree or remand the cause to the Interstate Commerce Commission for a new or further hearing; otherwise the order of said Commission shall be affirmed. Pending such review the said court may, upon application and hearing, if in its opinion the order under review is clearly unjust, unreasonable, or unlawful, suspend said order.

SEC. 13. That the defense in such proceedings in review, except as to orders of the Commission dismissing an application or petition, shall be undertaken by the Attorney-General of the United States, and the costs and expenses of such defense shall be paid out of the appropriation for the expense of the courts of the United States. The Commission may, with the consent of the Attorney-General, employ special counsel in any such proceeding, paying the expense of such employment out of its own appropriation.

SEC. 14. That if any party bound thereby having failed to file petition for review within the time hereinabove specified shall refuse or neglect to obey or perform any order of the Commission while same is in force, or having filed such petition for review shall refuse or neglect to obey or perform any order of the Commission as modified or affirmed by said court upon review as aforesaid, obedience and performance thereof shall be summarily enforced by a writ of injunction, attachment, or other proper process; and it shall be lawful for such court, upon petition of said Commission, or of any party interested, accompanied by a certified copy of the order alleged to be violated and evidence of the violation alleged, to issue a writ of injunction, or other proper process, restraining such common carrier from further continuing such violation or disobedience of such order or requirement of said Commission and enjoining obedience to the same; and in case of any disobedience of any such writ it shall be lawful for such court to issue writs of attachment, or any other proper process, against such common carrier, and if a corporation, against one or more of the directors, officers, or agents of the same, or against any owner, lessee, trustee, receiver, or other persons failing to obey such writ or other proper process.

SEC. 15. That the decisions of said court shall be final, and no appeal therefrom shall lie unless, in the opinion of the said court, a constitutional question is involved which ought to be reviewed by the Supreme Court of the United States, or unless the Supreme Court of the United States, upon it appearing to its satisfaction that a constitutional question is involved in said decision which ought to be reviewed in the Supreme Court, issues a writ of certiorari directed to the clerk of said court to transmit the record in such case to the Supreme Court for review. In the Supreme Court such case shall take precedence over all other proceedings except criminal cases. During the pendency of any appeal to the Supreme Court neither the order of said court nor the execution of any writ of process shall be stayed or suspended. The defense in all such appeals in the Supreme Court, except appeals from orders affirming an order of the Commission which dismisses an application or petition, shall be undertaken by the Attorney-General of the United States, and the costs and expenses of such defense shall be paid out of the appropriation for the expenses of the courts of the United States. The Commission may, with the consent of the Attorney-General, employ special counsel in any appeal to or review by the Supreme Court, paying the expense of such employment out of its own appropriation.

SEC. 16. That in case of disobedience to a subpœna the Commission, or any party to a proceeding before the Commission, may invoke the aid of said court of interstate commerce in requiring the attendance and testimony of witnesses and the production of books, papers, and documents, under the provisions of the act to regulate commerce and the acts amendatory thereof and supplemental thereto, and in case of contumacy or refusal to obey a subpœna issued to any common carrier subject to the provisions of said acts, or other person, said court may issue an order requiring such common carrier or other person to appear before said Commission (and produce books and papers if so desired) and give evidence touching the matter in question; and any failure to obey such order of the court shall be punished by such court as a contempt thereof in the same manner as hereinabove provided for disobedience of other orders of said court amounting to a contempt thereof.

SEC. 17. That it shall be the duty of the Interstate Commerce Commission to proceed expeditiously with the trial and determination of all cases brought before it, and to render a decision in each case within sixty days after the cause has been finally submitted.

SEC. 18. That all acts and parts of acts in conflict with the provisions of this act are hereby repealed: *Provided*, That such repeal shall not affect causes now pending in court, and such causes shall be prosecuted to a conclusion in the manner heretofore provided by law. All existing laws relative to testimony in cases or proceedings under or connected with the act to regulate commerce and the acts amendatory thereof or supplemental thereto shall also apply to any case or proceedings authorized by this act.

SEC. 19. That this act shall take effect from the date of its passage.

Liability of Employers.

SPEECH

OF

HON. JACK BEALL,

OF TEXAS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, April 2, 1906,

On the bill (H. R. 239) relating to liability of common carriers by railroads in the District of Columbia and Territories and common carriers by railroads engaged in commerce between the States and between the States and foreign nations to their employees.

Mr. BEALL of Texas said:

Mr. SPEAKER: I desire to-day to congratulate the 2,000,000 railway employees in this country, and those dependent upon them, that they have at last forced this House to give some heed to their demands. The gentlemen who are here representing the great labor organizations and who a few days ago bearded the President in his den, and corralled the Speaker of this House in that rear lobby, and made it plain to them that organized labor was tired of legislative trifling and parliamentary "shell games," are probably largely entitled to the credit for this bill being considered at this time. For session after session the men who take their lives in their hands in the service of the railways of this country have been asking for this relief, but while in party conventions its perspiring orators have prated about the dignity of labor, and its candidates have appealed to workingmen for their support, and its President has sent in messages moistened with tears in their behalf, my observation here has been that in doing these things the Republican party has been playing a part, and under its reign the man who labors is in truth and in fact the "forgotten man." But the passage of this bill by this House is but scant assurance that it will ever become a law. It goes from here to the Republican Senate, whose ear is but poorly attuned to hear the pleadings of those who labor.

For many years the millions of workingmen of this country have been beseeching Congress to give them some measure of relief against hard and unjust conditions. An instance of this is found in the abuse of judicial power involved in the issuance of unjustifiable and unnecessary injunctions in labor disputes, but so far their appeals have been in vain. In this Congress bills of this character have been introduced and are now sleeping in the committee graveyards of this House. It is useless for any man to attempt to disguise the real situation. Under the rules of this House, if the leaders of this majority want any of these bills enacted into law, they have the power to do so. If the Speaker of this House favors a single one of these bills for the protection of labor, he can force its passage. If he should manifest the same zeal in their behalf as he has displayed in outraging the people of Arizona in the statehood contest, every measure in which labor is interested can be reported and passed at this session of this Congress.

I submit that in a government such as ours is supposed to be no man can justify the refusal of Congress to give prompt and courteous consideration to every measure presented here in behalf of the many millions of men who have done and are doing so much to make this country great. But gentlemen may say that some of these demands are extreme and radical. This offers no adequate reason for the long-continued refusal of the majority to consider them. If they are justly subject to this charge, it is within the power of this House to remove the objectionable features and make them conform to what is right and reasonable

The men who are urging these measures upon Congress at this time are intensely in earnest. They are men of intelligence and reason; they are not intentionally seeking to destroy the commerce of this country or any of the agencies by which it operates. They are not hostile to the legitimate interests of the railroad companies. The prosperity of the railroads means or should mean continued prosperity for them.

This House may not agree with them upon every detail of these bills they urge, but they are not quibbling about petty details. They ask simply for a day in court to present their grievances and to submit their plan of relief. This House owes to them the courtesy to give fair consideration to what they propose.

Mr. Speaker, I believe that the bill now under consideration should pass. I understand it to involve three propositions, all of which I heartily favor, and to two of which I desire to submit some observations. First, it abolishes the follow-servants' doctrine as applied to railroad companies and their employees; second, it modifies the doctrine of contributory negligence so as to submit to a jury the question of damages where the negligence of the party injured is slight and the negligence of the company is gross; third, it nullifies the contracts which employees are forced to sign before receiving employment, releasing the railroad company from liability in case of injury.

If there ever existed an adequate reason for the doctrine that a master should not be liable for an injury suffered by a servant by reason of the negligence of a fellow-servant, that reason no longer obtains in the railway service of this country. It had its origin at a time when conditions were wholly different from those of to-day; when there were comparatively few engaged in any line of work where the negligence of one would probably cause injury to another; when each servant had the same and perhaps better opportunity than the master to acquaint himself with the character and habits of his fellow-workmen; when the machinery used was crude and simple and slow moving and its dangers apparent. Now everything is changed. The railroads of this country are operated upon a most gigantic scale. One employee may never know nor see a fellow-employee upon whose care his safety and life may depend. The machinery of to-day is driven by the power of steam at lightning speed, and danger and death lurk everywhere. Amidst such conditions it is beyond a possibility for an employee to protect himself against the carelessness of a fellow-employee, as was formerly the case. To say that he must is to legalize an anachronism that is condemned by reason and judgment. This fellow-servants' doctrine has been entirely abolished in many foreign countries and in many States of this Union, and has been largely modified in many others. In some States the old worn-out doctrine is applied in all its rigor and unreasonableness. It ought to be abolished in all grades of railway service.

Now, as to the doctrine of contributory negligence. If you were to submit to a man of good heart and sense, not professing a knowledge of the law, the question as to whether or not a railway employee should recover when injured through his own slight negligence and the gross negligence of the company, I venture the statement that the reply would be that recovery in some amount should be had, but so far have the niceties and the refinements of the law gone that except where modified by statute a person so injured has no right of recovery. In other words, the hard and inhumane rule has prevailed that a railroad company is exempt from liability for damages for injuries inflicted upon one of its employees through its own gross negligence if such employee, at the time of such injury, was also guilty of any degree of negligence that proximately contributed to his injury. To such an extent has this doctrine been carried in some of the States that, in connection with the doctrine of assumed risk that has also been enforced with such unrelenting severity, it is almost impossible for an employee to recover for any character of injury inflicted through the confessed negligence of the company.

It is said that a railway employee injured by the combined negligence of himself and the company should not recover of the company. Why? Because, it is said, he was himself negligent. But the company was also negligent. Ought it to be wholly exempted from the effects of its negligence because its employee was also negligent? If the company is not guilty of negligence, the employee is not permitted to recover, though he himself may have been guilty of no negligence and yet have suffered injury. It is no more just to permit a railroad company to relieve itself from all liability for injuries for which it was partially responsible than it would be for an employee to place all the liability upon the railroad company for an injury for which he was partially responsible. A fairer rule would be to make each party bear that part of the burden caused by the negligence of such party.

This bill does not go to this extent, however. It simply says to a railroad company: "If you are *grossly negligent* and your employee is *slightly negligent*, and if, as a result of your *gross negligence* and his *slight negligence* combined, your employee is injured or killed, then you must respond in damages in proportion to your negligence."

The employee can not secure full compensation for his injuries against the company, because his own act of negligence is counted against him. The railroad company can not wholly escape liability, for its gross negligence is counted against it. As the employee was negligent, so his damages are diminished. As the railroad company was negligent, accordingly its liability is determined.

If it be said that such a rule will encourage carelessness among employees, it is a sufficient answer to say that employees are not likely to subject themselves to injury in order to prosecute a suit for damages against the railroad company. Would the proposed rule encourage carelessness among employees so much as the old rule did among employers? In one case the employee might recover damages, but to do so he must suffer the physical pain and danger, while under the old rule the company suffered no injury, but still was exempted from any liability.

No, Mr. Speaker, the passage of this bill will not cause railway employees to be more negligent, but it will force railroad companies to be more careful. During the past year 50,000 railway employees were killed or injured in the United States. This bill will not relieve employees from the consequences of their own negligence. If injured, they must suffer the physical pains and face the risk of death, and, in addition, when a jury comes to strike the balance, their own negligence will be counted against them.

A railroad company can suffer no physical pain. It never dies. The only compensation it can make to one of its employees whom it has injured through its gross negligence is to pay just damages to him, making such employee bear any consequences of his own negligence. This much the employee should bear, but it is unjust to impose upon the employee all the consequences of his own negligence and that of the railroad company too.

I am moved by no spirit of hostility to railroad companies. I join in no unreasoning clamor against them. They have been and are great instrumentalities in the development of our country. Before the people, in the court room, and in the halls of legislation they should be accorded the fullest measure of justice. Their rights should be as sacredly respected as the rights of the individual, but the humblest employee should be equally protected.

If it be true—and it is—that in legislation the man should not be favored in detriment to the rights of the corporation, it is equally true that the corporation should never be favored as against the man. In my opinion the creature of flesh and blood, with brain and nerves and heart, to whom God gave the breath of life, should be respected and protected by the law as much as the artificial man created by the puny arm of the statute. This bill protects both.

Fortifications Appropriation Bill.

SPEECH

OF

HON. WILLIAM A. JONES,

OF VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, February 13, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 14171) making appropriations for fortifications and other works of defense, for the armament thereof, for the procurement of heavy ordnance for trial and service, and for other purposes—

Mr. JONES of Virginia said:

Mr. CHAIRMAN: Until the policy of our Government toward the Philippine Islands is definitely settled, it will be impossible for Congress to legislate intelligently with reference to the question now under discussion. If it be the purpose of the United States to hold permanently and govern indefinitely the Philippine Islands, I should unhesitatingly say that Cavite would be the best place to be selected for a naval station and supply base. If, on the other hand, the policy of the United States is to grant the Filipino people their independence, then, in my judgment, some other point in the Philippine Islands ought to be selected

for the naval station, the construction and fortification of which is now proposed.

Everybody who knows anything about the Philippine Islands knows that if we are to hold them permanently we must hold and fortify against attack the city of Manila. The possession of Manila is absolutely essential to the possession and control of the Philippine Archipelago. I think, however, Mr. Chairman, that I perceive in the settled purpose of our military and naval authorities to establish this naval station at Olongapo, in Subig Bay, an indication that the Administration and the Republican party intend, at some not far distant day, to relinquish control over the Philippines and grant to the Filipinos their independence. Acting upon that theory, I should be inclined to favor a naval station at Olongapo, notwithstanding the many and valid objections which, in my opinion, are to be urged against that location, so anxious am I to hasten the hour when we shall withdraw from the Philippines, both for their and our own good. The gentleman from Pennsylvania [Mr. BUTLER] has told us a good deal about Subig Bay and the conditions that exist there. He admits he has no personal knowledge as to the situation, and even declares that he has no desire ever to see the islands. His only knowledge consists in what he has been told. If, then, he has given us the benefit of all that other people have told him upon this subject, he most certainly has not told half the story. There is not, Mr. Chairman, in my humble judgment, 5 acres of level ground bordering upon Subig Bay suitable for the location of a naval station. The only level ground that I know of there is at the point where, I believe, it is proposed to construct this naval station. It is a low, marshy piece of ground, very limited in extent, and only 2 feet above sea level, so that in order to secure the solid and level ground upon which to build a naval station at that point—and it is the only point on the bay where one can be built—it will not only be necessary to cut down the side of a mountain that rises abruptly out of the bay, but it will also be absolutely necessary to raise the little level ground now available by placing upon it material which must be dredged from the bay in order to secure a sufficient depth of water to accommodate our ships. In addition to that, Mr. Chairman——

Mr. BUTLER of Pennsylvania. Mr. Chairman, will the gentleman allow me to ask him a question?

Mr. JONES of Virginia. In a moment. In addition to this, Mr. Chairman, there is a stream rushing down the side of that mountain and dashing across the very spot where the naval station is to be located, or rather where it is proposed to locate it, so that before the work of building a site for this station is begun it will be necessary to divert the course of that stream so as to carry the water in some other direction. Mr. Chairman, there is still another objection to Olongapo, which I have not yet heard alluded to. It is a fact known of everybody who knows anything about conditions in those islands that the fall of water at Olongapo far exceeds that at Cavite or at any other point in that section of Luzon. It is, indeed, quite phenomenal. It rains there every day of the year, and when it rains it pours in torrents, so that it will require the expenditure of a great deal of money merely for protective works, even after the station has been established at an enormous expenditure.

Mr. Chairman, it is not necessary that a naval station should be established at Olongapo even if it should be admitted that Cavite is not a suitable place. There is a bill pending here now, introduced at the instance of the Secretary of War and earnestly supported by him, the purpose of which is to enable the United States to acquire certain coal lands on the island of Batan, the only island in all the archipelago where it has been absolutely and certainly ascertained that a sufficient supply of good coal can be procured to meet the demands, present and prospective, of our Army and Navy in the Philippines—coal that must be had in the deplorable event that we become involved in war in the Far East.

The island of Batan lies on the eastern side of the archipelago. It is within 50 miles of the Straits of San Bernardino, which straits are the gateway to the Philippine Islands from San Francisco. At the island of Batan there is a splendid harbor, and we are told by one of the officers of the Army who has been there for two years and who has thoroughly investigated the situation that there are 17 fathoms of water in the harbor, and that a ship drawing 32 feet of water can lie now within a hundred yards of the shore.

Mr. GROSVENOR. May I suggest to the gentleman whether it is not true also that the location of this place, this magnificent harbor, is midway, as it were, between the Manila end of the archipelago and the Suez Canal, which places it in immediate connection with the travel going from the canal to the oriental countries?

Mr. JONES of Virginia. The island of Batan is on the eastern side of the archipelago, and it is directly, or almost so, on the shortest line of travel between San Francisco and Manila. The shortest and most direct route between San Francisco and Manila is through the San Bernardino Straits, and Batan is within 50 miles of the entrance of those straits. This route is several hundred miles shorter than that around the northern end of Luzon, the route followed only because of the present necessity of coaling in Japan. Batan is about 500 miles from Manila. It is, as I have said, the only place in the islands where it is possible, so far as the War Department knows, to secure the coal which, in the event of war, we shall be absolutely obliged to have in order to hold the islands. If Olongapo is to be the location of the naval station, there being no coal in that immediate neighborhood, or anything else for that matter, we would have to maintain an uninterrupted communication of 500 miles between the station and Batan in the event of war. A declaration of war would mean, of course, the closing to us of the ports of Japan and that of Hongkong, where our Army transports now procure their coal.

Mr. Chairman, it seems to me that if we are going to select a naval base in the Philippine Islands, all other things being equal, there being as good a harbor at this point as there is at Olongapo, and it being capable of being just as easily fortified as Olongapo, as shown by the testimony of an Army expert, we should select the island of Batan, where we have a practically inexhaustible supply of coal. Olongapo has no single advantage over Batan, whilst there are many, in my opinion, to be cited in favor of the latter, not the least of which is an ample supply of coal, which certainly in time of war is not to be dispensed with. But my position is that until the United States have settled what their future policy as to the Philippines is to be, until we know whether it is the purpose of the Administration to retain the islands permanently or at some future time to give to them their independence, Congress ought not to go ahead and appropriate millions of dollars for the establishment of a naval station in those islands. As has already been said by the gentleman from New York, we have a well-equipped navy-yard at Cavite, which is now doing a great deal of work, and which has met all the requirements of our naval establishment in the Orient up to the present time.

Mr. RIXEY. I would like to ask my colleague a question. Does not my colleague think that Manila is really the key to the Philippine Islands, and that it is necessary to protect Manila in order to hold the islands; and if so, does he think that a naval basis and fortification 500 miles away will answer the purpose of protecting Manila?

Mr. JONES of Virginia. I will answer my colleague in this way: I have already said that if we propose to keep the Philippine Islands permanently, Manila being, as he says, the "key to the situation," the naval station should be at Cavite; but I have also said that if such is not to be the policy, and a naval station for that reason is to be located at some other point, the weight of argument was in favor of the island of Batan against Subig Bay. If it be the purpose of the United States to retain these islands permanently, then I concede that Cavite ought to be the location of a navy-yard, since it is necessary to fortify Manila Bay in order to hold Manila. If we lose Manila, we must lose the whole Philippine Islands.

Mr. RIXEY. Now, will my colleague allow another question?

The CHAIRMAN. Does the gentleman yield?

Mr. JONES of Virginia. I am asked by the gentleman from Massachusetts [Mr. SULLIVAN] to say something as to the quality of coal which can be obtained on the island of Batan. Some two years ago an agent of the Government obtained an option upon certain coal fields in the island of Batan, and since then an expert selected by the War Department has been mining and testing the coal, which is found there in large quantities. His testimony is that while that coal is not equal to the Pocahontas coal used now by the Navy, it is superior to any other coal in the Orient—superior to that which we are buying now and using in our transports, and, in his judgment, superior to any other likely to be found in the Philippine Islands.

It is the earnest desire of the Secretary of War that authority shall at once be given to acquire these coal fields, so that in the event of war, when our Navy will be cut off from every other source of supply in the Orient, and when our communications between the Philippine Islands and the Pacific coast may be seriously interrupted, we may not lack for an ample supply of coal, which, whilst not equal to that now used in the ships of our Asiatic fleet, could nevertheless be used in time of war and when the product of our American mines was not accessible.

This coal would not be used by the Navy Department in time of peace, even if we were to mine it now, because our naval

authorities are of the opinion that its use is injurious to the boilers of our ships; but in the event of war it would be our only source of supply outside of the United States, and then its use would be an absolute necessity. Therefore it is that the Secretary of War is even now urging that this coal be secured. The Committee on Insular Affairs has reported this bill to the House, and it is now on the Calendar.

Mr. CRUMPACKER. I will ask the gentleman if it will not, in his opinion, be necessary for the Government to fortify the harbor on the east side of the island of Batan anyway in order that it may avail itself of this coal supply in possible exigencies?

Mr. JONES of Virginia. That is a fact, Mr. Chairman. If we want to preserve these coal fields after we get them, of course we will have to fortify the approaches thereto, and the expert testimony is to the effect that they can be easily fortified.

Mr. CRUMPACKER. We would have to have a fortification there, so as to make certain a continuous supply of coal in the event of war.

Mr. JONES of Virginia. That is absolutely true.

Mr. TAWNEY. What is the size of the Government reserve adjacent to this coal land which it is proposed by your committee to purchase, underlying which Government reserve there is a body of coal?

Mr. JONES of Virginia. The island of Batan is a very small one, about 10 miles long and about 5 miles wide, and the whole of it is underlaid with coal. The Spanish concession, which it is desirable that the Government shall purchase, covers only about 300 acres of the island.

Mr. TAWNEY. What is the size of the Government reserve lying adjacent to that concession?

Mr. JONES of Virginia. All the remainder of the island. The Government has reserved as a military reservation the remainder of the island.

Mr. TAWNEY. If the Government wants to avail itself of the coal upon that island, is it absolutely essential that we pay $50,000 for this 300 acres of land?

Mr. JONES of Virginia. It is not absolutely essential, Mr. Chairman, but it is the best business proposition in the world, because these 300 acres are contiguous to the deep water, and you can not approach from deep water any other part of the island except through or over these 300 acres.

Mr. MADDEN. Does the gentleman believe that the Government of the United States ought to enter upon the coal business, or does he believe that it should buy for $50,000, or any other amount, these coal lands for the purpose of allowing some private corporation to develop the land on condition that the Government enter into a contract with that private corporation for the purpose of furnishing coal to the Government of the United States, in order that the corporation may have a profitable business after the Government takes all the risk and invests the necessary money?

Mr. JONES of Virginia. I understand the gentleman's question. My proposition is not at all involved in that question. The proposition embodied in the bill reported by the Insular Affairs Committee is not that the Government shall work these mines, nor that it shall lease them, but it is simply and solely to close the option which was obtained two years ago, and which will expire on the 1st day of March next.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FITZGERALD. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has seventeen minutes remaining.

Mr. FITZGERALD. I yield five minutes more to the gentleman from Virginia.

The CHAIRMAN. The gentleman from Virginia is recognized for five minutes more.

Mr. JONES of Virginia. The bill which was prepared, I believe, by the War Department, provided for the lease of these coal lands; but the Committee on Insular Affairs did not believe it wise to permit their lease to private parties and therefore struck out of the bill everything relating to a lease. The committee felt that it was wise to authorize the closing of the option, which expires on the 1st day of March. When it was given it was not known certainly that coal existed in large quantity on the island, nor had its quality been ascertained definitely. Now we know the coal is there, and that it is of a superior quality to any thus far found in the Orient. It has cost considerable to make these investigations, and now that we are satisfied both as to the quantity and quality of the coal it would be a great mistake, in my judgment, not to take up the option we have.

It is true that we already own the most extensive part of the coal lands on the island; but, as I have endeavored to make plain, the claims covered by this option lie contiguous to deep water, facing a splendid harbor, and completely shutting us out from deep water, so that it would cost us far more to ship our coal, on account of its inaccessibility to deep water, than it will now cost to take up this option. As a plain business proposition we should acquire this Spanish concession, for without it our valuable holdings can not be economically utilized.

Mr. FITZGERALD. Will the gentleman yield?

Mr. JONES of Virginia. Certainly.

Mr. FITZGERALD. This is not a purchase of land, but of mining claims, if I am not mistaken.

Mr. JONES of Virginia. That is true.

Mr. FITZGERALD. Did the gentleman's committee examine the report of any official in which it was held that these alleged mining claims were valid?

Mr. JONES of Virginia. The Secretary of War appeared before the committee, and stated that the question of title had been submitted to the best legal authorities in the Philippine Islands, and that the War Department was absolutely satisfied that the title was good.

Mr. FITZGERALD. Considering the statements that have been made by the administration as to the lack of capacity on the part of the Filipinos to govern themselves, does the gentleman believe that the statement of the best legal advice in the Philippine Islands is such that it ought to satisfy anyone that these claims are valid?

Mr. JONES of Virginia. I am of the opinion, Mr. Chairman, that the president of the supreme court of the Philippine Islands, Judge Arrelano, is the best lawyer in the Philippine Islands.

Mr. FITZGERALD. But this matter was not submitted to the court.

Mr. JONES of Virginia. It was not submitted to the court, but it was submitted to the legal advisers of the government in the islands, to lawyers thoroughly conversant with the subject and capable of advising in relation thereto. I have a very high opinion of many of the Filipino lawyers.

Mr. CRUMPACKER. Will the gentleman allow me a suggestion?

Mr. JONES of Virginia. Certainly.

Mr. CRUMPACKER. The Secretary of War stated in addition that the investigation of the title of this particular land had occupied a year and a half perhaps, and, in addition to the ablest counsel they could get there they had the services for a number of months of one of the ablest American mining lawyers, one who had spent twenty years in the practice in the State of Colorado, a man thoroughly familiar with the mining laws of this country and of Spain, and it was the unanimous judgment of these persons that the Spanish claimants had a perfect title to that land.

Mr. FITZGERALD. Under the mining title they had, could they prevent access to the water from over their land?

Mr. JONES of Virginia. No; but it would be very costly to build a road over this concession to the harbor.

But, Mr. Chairman, the point I make is this, we have now the only coal in the Philippine Islands, so far as anybody knows, which would be available in the case of war with a foreign country.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. FITZGERALD. I will ask the gentleman from Iowa if he will yield to the gentleman from Virginia three minutes. I have promised all of my time.

Mr. SMITH of Iowa. I will yield three minutes to the gentleman from Virginia.

Mr. JONES of Virginia. Mr. Chairman, whether we acquire this small concession or not, we own the island of Batan, and it has been reserved as a military reservation. There is adjacent to that island one of the very finest harbors in the Philippines. It is on the eastern coast of the archipelago and almost immediately on the shortest and most direct route between Manila and San Francisco. It can be as easily fortified as Olongapo. Why, then, should Olongapo be selected as the site of a naval station rather than this island? If Cavite is to be abandoned and another location selected, what, if any, advantage has Subig Bay over the island of Batan?

Mr. SMITH of Iowa. Will the gentleman allow me a question?

Mr. JONES of Virginia. Certainly.

Mr. SMITH of Iowa. Does the gentleman think, in view of the conflicting testimony of gentlemen who know all about the matter—and I know nothing about it—that this body is the proper body to decide where the navy-yard ought to be in the Philippines?

Mr. JONES of Virginia. I am glad, Mr. Chairman, that that question was asked me. I do not believe that this body now possesses sufficient information to enable it to properly or intelligently say where there shall be a naval station established or what particular place should be fortified. But I do not believe that either the War or the Navy Department should be permitted to go ahead and select the location for a navy-yard, which will probably cost $30,000,000, without consulting Congress.

Mr. SMITH of Iowa. But you have invested $119,000,000 in the continental United States in that way, have you not?

Mr. JONES of Virginia. Yes, in constructing fortifications; but the location of naval stations is a different proposition. The gentleman knows, as well as I do, that notwithstanding the report of the Army and Navy Board, there is a great diversity of opinion among military and naval people as to whether or not Subig Bay is the proper location for our naval station in the Philippines. I am informed that General Wood, now in the Philippines, does not favor the selection of Olongapo. I am prepared also to state that General Corbin, our commander in the Philippine Islands, although a year ago he favored the selection of Olongapo, has revised his opinion and now does not think it is a suitable place.

The CHAIRMAN. The gentleman's time has again expired.

Liability of Employers.

SPEECH

OF

HON. WILLIAM. A. RODENBERG,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, April 2, 1906,

On the bill (H. R. 239) relating to liability of common carriers by railroads in the District of Columbia and Territories and common carriers by railroads engaged in commerce between the States and between the States and foreign nations to their employees.

Mr. RODENBERG said:

Mr. SPEAKER: I regard the provisions of this bill as highly meritorious and in full harmony with that newer and truer sense of justice which the enlightened sentiment of this day and generation is endeavoring to embody in all our industrial relations. The common-law rule of liability, which prevents a recovery of damages for the personal injury or the death of an employee caused by the negligence of a fellow-servant, and also the rule of common law which makes contributory negligence a defense to claims for such injuries, violate every principle of justice and humanity and should have been abolished years ago. The doctrine of fellow-servant, which had its origin in England as far back as 1837, and which has been generally followed by the States of this Union, has no place in the economy of modern civilization. It is not in keeping with the progressive spirit of the times. It is a travesty on justice and subversive of every consideration of equity and individual right.

We are wont to boast of our superior civilization, of the humanity of our laws, and of the progress of our people along material lines, and yet we are confronted to-day with the fact that among all of the great industrial countries of the world the United States is the only one which has so far failed to enact legislation which is intended to secure simple justice for those of our fellow-citizens who are engaged in the hazardous employment of railroading. England, which originated this doctrine of fellow-servant, repudiated it in 1880 by the passage of an employers' liability law, under the provisions of which railway companies were held responsible for injuries sustained by an employee in charge of any railway engine, switch, or signal, or resulting from carrying out an improper order of a superior official. And nine years ago the English Parliament supplemented this humane legislation by the passage of what is known as the "workmen's compensation act," which extends the beneficent provisions of the employers' liability law to practically every hazardous occupation.

A similar law, enabling workmen in dangerous occupations to recover for injuries caused by the negligence of their fellow-employees, has been in existence in Germany for a third of a century, and in 1884, when the masterful Bismarck was at the zenith of his power, the German Reichstag passed a compulsory insurance law, under which the employer must insure his employees in the more dangerous occupations against death or permanent disability, notwithstanding the fact that the injury resulting in death or disability may be directly attributable to the negligence of a fellow-employee. Austria, Norway, Denmark, Italy, France, Spain, and Roumania have each followed the lead of Germany and enacted similar compulsory insurance laws.

Under the Napoleonic code, which also obtains in Belgium and Holland, the French employer is held responsible in damages for all injuries sustained by his employees. Sweden and Switzerland are in accord with the other countries of Europe, and have long since abolished the doctrine of fellow-servant and contributory negligence. Even Russia—benighted, cruel, despotic Russia, with a record of brutality, oppression, and inhumanity unparalleled in all the annals of history—even Russia has provided in her civil common law that the employer shall be held responsible for the negligence of his employees, and he can escape this responsibility only upon proving that the accident was due to unavoidable causes or to the gross negligence of the victim himself.

In fact, all of the countries of Europe have long since enacted favorable legislation on this question which is of such vital importance to the great army of toilers. Among all the great civilized powers of the world the United States alone enjoys the unenviable distinction of having failed up to this time to enact any national legislation on this important subject. It is true that a number of the States have passed laws greatly modifying the severity of the doctrine of fellow-servant, and some have had the good sense to abolish it entirely so far as it relates to railroad employment. But no law on this subject has ever been written in the Federal statutes by the Congress of the United States. I contend that the time has come when a uniform rule of liability throughout the Union with reference to common carriers should be adopted, and I hope the day is not far distant when the American Congress will extend the protection of this humane rule to all workingmen engaged in hazardous employment of every description.

It will be contended by the opponents of this measure that its passage will result in a multiplicity of damage suits, which in turn will work a serious hardship on the railroad companies affected by this law. This contention, however, is not borne out by the experience of the countries of Europe in which the law is now in operation. On the contrary, instead of working an injury it will result in a direct benefit to the railroad companies themselves by reducing the number of accidents of this character to the lowest possible minimum. It will have the effect of calling forth the exercise of the greatest possible degree of care in the operation of railroads and the maintenance of the highest standards of efficiency on the part of the employees. As a matter of self-protection, whenever the employer is held responsible for injuries resulting from the negligence of his employees he will see to it that every employee observes strictly the same rules of care and caution for the safety of his fellow-employees as he does for the safety of passengers and others who now have recourse to the courts for accidents occasioned by the failure of employees to exercise such care and caution. Not only will the passage of this bill materially safeguard the lives and limbs of employees, but it will also insure more considerate treatment for them by their employers and a better systematization of their work. It will be recalled by the Members of this House that an investigation of the appalling accident that occurred near the Royal Gorge in Colorado a few weeks ago, and which cost the lives of more than a score of people, disclosed that the accident was due to the failure of a telegraph operator to transmit certain orders relating to the running of the train. That investigation also developed the fact that the operator had been working continuously for thirty-six hours and had fallen asleep at his post. I undertake to say that if this proposed law had been on our statute books an accident of this kind would have been an absolute impossibility. The official in charge of the operating department of the railroad would have long since so thoroughly and completely systematized the work of his department that no employee would have been permitted under any circumstances to so overtax his powers of endurance.

According to the last report of the Interstate Commerce Commission, the classification of railroad employees throughout the United States includes enginemen, 52,451; firemen, 55,994; conductors, 39,645, and other trainmen, 106,734. Statistics show that during the year ending June 30, 1905, trainmen to the number of 2,114 were killed and 29,275 were injured on the various railroads of this country. In other words, for every 120 employed 1 was killed, and for every 9 employed 1 was injured. These startling figures carry their own commentary with them. They stand as an unanswerable indictment against the continuation of a doctrine which is, in a large measure, responsible for this appalling list of fatalities.

Mr. Speaker, the railroad employees of the United States constitute a very material part of our best and most progressive

citizenship. Taken as a whole, they are men of superior intelligence and character. The organizations which they have instituted among themselves for the betterment of their condition have always commanded the respect and admiration of the American people because of the exercise of intelligent conservatism and rigid adherence to the principles of law and order. They come to us to-day asking for the enactment of this legislation, which will contribute so much to their security of life and limb and give to their families that protection which every American citizen should enjoy under the law. In my judgment, this Congress would be derelict in its duty and dead to every impulse of humanity if it should fail to grant this request, which is founded upon justice, right, and reason.

Expenditures, Assessments, and Taxation in the District of Columbia.

SPEECH

OF

HON. EDWARD DE V. MORRELL,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, February 26, 1906.

The House having under consideration bills relating to the District of Columbia—

Mr. MORRELL said:

Mr. CHAIRMAN: In the course of my remarks on the last District day I said that I would have some other matters to call to the attention of the House, and among them the matter of taxation and assessment. As a text, I shall quote the law governing assessments in the District of Columbia, which will be found in section 5 of the act making appropriations for the expenses of the District of Columbia for the fiscal year ending June 30, 1903, and is as follows:

All real estate in the District of Columbia subject to taxation, including improvements thereon, shall be assessed at not less than two-thirds of the true value thereof.

The three things most striking in regard to taxation in the District of Columbia are, first, the undervaluation; second, the enormous outlay or expense of assessment, and, third, the system of exemptions.

1. The undervaluations.—In the course of my examination of the Sixteenth street condemnation proceedings I stumbled upon some truly astonishing instances illustrating this point. One man owned a piece which was assessed for taxation in 1902 at the value of $253. Now, when the Government took that same land for a street the jury gave him as damages $10,063. The jury acted under oath, and making, in all probability, a fair estimate of the actual value of the land taken gave the owner almost forty times as much as the land was rated at upon the assessor's books. I had wondered how on earth that jury could assess the total damages to property owners in that section at $796,000 while all the property along the line of the street was benefited only to the extent of $108,000. But when this was discovered I concluded that the land must have been so peculiarly adapted to streets and so useless for any other purpose that it couldn't be improved in value even by the construction of a grand boulevard through it.

Another striking case is that of Messrs. Elbert Robinson and Oliver A. Morris, who owned lot No. 125 in Denison & Leighton's subdivision of the Eslin estate. This lot contained 2,339.7 square feet and was assessed for taxes at a total valuation of $96. The jury awarded damages to the amount of $2,690.65, which was more than twenty-eight times the assessed valuation for taxes.

There were several other cases like that of Mr. Nicholson. I might say that they were nearly all like it, so far as the Sixteenth-street extension is concerned. The following table exhibits several of them, selected at random:

Table exhibiting the difference between the assessed value of lots in the District of Columbia for purposes of taxation and the amounts paid by the Government for the same lots under condemnation proceedings.

IN S. P. BROWN'S SUBDIVISION OF MOUNT PLEASANT.

Block.	Lot.	Area in square feet.	Total assessment for taxes.	Paid under condemnation proceedings.	Name of owner.
1.....	10	15,858.90	$1,307	$12,687.10	Benjamin P. Davis.
1.....	129	9,000.00	1,186	9,000.00	Laura Arnett Cole.
1.....	130	7,596.50	631	7,500.00	Do.

Table exhibiting the difference between the assessed value of lots in the District of Columbia for purposes of taxation, etc.—Continued.

HALL & ELVAN'S SUBDIVISION OF MERIDIAN HILL.

Block.	Lot.	Area in square feet.	Total assessment for taxes.	Paid under condemnation proceedings.	Name of owner.
9.....	30	6,708.00	$253	$10,062.00	James B. Nicholson.

DENISON & LEIGHTON'S SUBDIVISION OF THE ESLIN ESTATE.

.....	125	2,338.70	$96	$2,690.65	Elbert Robinson and Oliver A. Morris.
.....	127	9,590.30	1,210	9,590.30	

No effort was made in selecting these examples to find extreme cases. My object was merely to get instances of the relative ratio of taxation to the selling price of property in each of the subdivisions involved in the Sixteenth street condemnation proceedings. The damages awarded in these cases did not include damages for improvements, but solely for land taken.

The situation on Capitol Hill is not so bad, but it is still bad enough—very much worse than it ought to be.

There is a document published by Senator CULLOM'S committee entitled the "Report of proceedings in acquiring square 686 as a site for the Senate office building," which throws a great deal of light on this subject. From this report I gather the following examples of the difference between the value of land in the District as assessed for taxes and the value of the same land when condemned for public uses:

1. A vacant lot on B street NE., containing 2,278 square feet, was assessed for taxes at $1.45 a square foot, and was assessed as a whole at $3,303. The owner asked the Government $9,714, and the jury awarded him $7,404.

2. Two vacant lots at the corner of Delaware avenue and B street NE. were assessed at a total value of $12,629. The jury awarded $42,042.

3. A front and back lot on B street NE. were assessed at a total valuation, exclusive of improvements, of $3,571. The improvements were assessed at $3,500, making the assessed value of the entire property $7,071. The jury awarded $19,775.

The law requires that assessments shall be made for at least two-thirds of the valuation, and in these cases, which are only fair examples of the whole, we find property paid for by the Government at from three to five times the rate at which it was listed for taxes. I am told that in the proceedings for acquiring square 690 as a site for an office building for the House of Representatives the amounts awarded as damages were in almost every case four or five times as great as valuations put upon the lands for taxes. And here I would like to digress a little. I am informed that when an effort was made to find the report and award of the jury in proceedings relating to square 690 the task proved too much. It was not among the records of the case in court roll 597, where it should have been. It had not been recorded either in the Interior Department or in the office of the register of deeds of the District of Columbia. The Secretary of the Interior had approved it and then it had been turned over to a lawyer, and, with the exception of that lawyer, there was apparently no living man in possession of the legal evidence necessary to verify the title of the United States to the lands included in square 690 of this city. And this seems to have been the case since May, 1904. Suppose all those lots were sold by the former owners to innocent purchasers without notice—there being no proper legal record of the transfer of title—who would be to blame? And what would be the result?

But, though it was impossible to find the report and award of the jury in any place where it ought to be filed or recorded, it was possible to find, in a petition for payment of the amount due Thomas F. Mallan under the award, the following facts, which may be taken, in the absence of the jury's complete report and award, as forming an average case. Mallan owned subdivision No. 10, in square 690. This parcel of land was assessed for taxation at $6,048, and the improvements thereon at $7,800, making a total valuation of $13,848. The jury awarded as damages $31,496.07, and the property was probably worth that sum. All this shows, not that the Government has paid too much for this land on Capitol Hill and in the section around the great central park which has been created beyond the city limits, but that it has apparently been grossly undervalued in the assessment of taxes. (Acts 1901–2, p. 616.)

In the business section of the city the discrepancies are not so great, the property there being taxed upon about half its real value. Stoneleigh Court, sublot 35, square 164, is assessed at $535,994, the lot being rated at $105,499 and the building at $430,000.

The New Willard Hotel, sublot 26, square 225, is assessed at $1,062,635—the ground at $442,635 and the building at $620,000.

The Colorado Building, sublot 60, square 252, is assessed at $536,592—the land at $136,592 and the building at $350,000.

Much complaint has been made in the city of Washington, not only against the discriminations in assessments, but also against the undervaluation of land with reference to the improvements thereon. Some of these complaints have found their way into the public prints. From the Washington Times of Sunday, January 7, 1906, I extract the following statements of Mr. E. W. Oyster, a prominent citizen of the District of Columbia. Among other things, Mr. Oyster said:

ALLEGED OUTRAGEOUS DISCRIMINATION.

But great as are the inequalities in the assessments of improvements, the inequalities in the assessments of land in different sections of the city and county, and even in the same locality, are very much greater, and the discrimination in favor of the land speculator as against the home owner and home seeker is simply outrageous.

LAND VALUES IN NEW YORK.

The last assessment in Greater New York shows that the value of land in that city is $3,697,686,935 and of improvements $1,100,657,854, the land values being 77 per cent of the whole.

LAND VALUES IN WASHINGTON.

The value of the land in the District of Columbia is probably 75 per cent, certainly not less than two-thirds, of the total value of land and improvements, and should therefore bear not less than two-thirds of the tax on real estate. The total assessment on this class of property is $239,461,985, the assessment on land being $136,843,419, on improvements $102,618,566. Had land and improvements been fairly assessed in proportion to value the assessment on the land would have been not less than $159,641,324 and on improvements not more than $79,820,661.

The discrimination against improvements and in favor of land could not be justified at any time, and surely can not be justified now, as the law under which the present assessment was made provides "that hereafter all real estate in the District of Columbia subject to taxation, including improvements thereon, shall be assessed at not less than two-thirds of the true value thereof and shall be taxed 1½ per cent upon the assessed valuation."

The law is both positive and clear and was intended to prevent in the future the unjust discrimination in favor of land-grabbing syndicates, speculators, and monopolists. Had the assessors obeyed the law in making the assessment of real estate for the next three years, improvements would have been assessed at about $125,000,000 and land at about $375,000,000. This would have produced, at $1.50 on the $100, $7,500,000, or about double the amount desired to be raised from that class of property. It is not necessary at this time to enter into a discussion as to whether or not the law is just what it should be, but if the assessors, with the provisions above quoted "staring them in the face," assumed the responsibility of ignoring or evading it to the extent of raising only such an amount of revenue as they think necessary, then they should have ignored or evaded it to the same extent in favor of improvements as they have in favor of land.

SHOULD HAVE A SQUARE DEAL.

An assessment of one-third the true value of land and improvements—say, $187,500,000 on land and $62,500,000 on improvements—would have raised a larger revenue than will be raised under the inequitable assessment made for the next three years. Such an assessment would probably raise a howl from those who are holding vacant land out of use for speculative purposes, but should, and no doubt would, meet with the approval of all owners of improved property who believe in the principles of justice and "a square deal."

The assertion that land values are not less than two-thirds the value of both land and improvements is based on actual sales in different sections of the District in comparison with assessed values.

GOVERNMENT PURCHASES.

For instance, the Government paid five and a half times more than the assessment for the land on which the new Government Printing Office stands, and three and a half times more than the assessment for the land on which the House and Senate buildings are being erected.

The assertion is frequently made that the price paid for land by the Government is not a fair test of true value, for the reason that the United States is alleged to be more generous in the purchase of such property than private parties. However that may be in other cities, the facts do not sustain that contention in regard to the District of Columbia.

PURCHASES BY PRIVATE PARTIES.

The sale to private parties of 2,000 square feet of ground at the southwest corner of square 236, at Fourteenth and U streets, was noted in the city papers of August 26, 1905, and the price paid for the corner was given as $19,000. The assessment on this land is $3,300, and on the improvement, since torn down, was $3,000. Assuming $6,000 to have been the true value of the building, the amount paid for the land was $13,000, or about four times the assessment.

By deeds placed on record in December, 1905, the Anheuser-Busch Brewing Association secured from the Bakers' Cooperative Association 11,000 square feet of ground at the southwest corner of North Capitol and F streets. The city papers of December 28 gave the price paid as $55,000, or $5 a foot. The assessment on 2,750 feet of this ground is 50 cents a foot and on the remainder—8,250 feet—65 cents a foot, averaging 71¼ cents a foot, making the total assessment on the land $7,837.50. The improvements are assessed at $4,600. After deducting double the assessment on the improvements (of little value to the purchasers) from the total amount paid, it will be seen that the price paid for the land was about $4.13 a foot—nearly six times the assessment.

LAND VALUES.

A comparison of the assessments with the selling prices of land will convince any fair-minded person that the above examples are not exceptions to the general rule—that is, that the selling price of land in the city, which must be somewhere near the true value, is not less than from two and a half to four times the assessment on it, and that large and expensive improvements are assessed at from 10 to 30 per cent lower than small ones in proportion to value.

The land in the square immediately north of the Treasury Department is assessed at from $4 to $30 a square foot, the northwest corner of Fifteenth street and Pennsylvania avenue being the $30 corner, and, in the judgment of the assessors, the most valuable parcel of land in the District. It no doubt cost its present owners nearly three times the assessment.

Square No. 222, between Fourteenth and Fifteenth streets and New York avenue and H. streets, is assessed at from $4 to $25 a foot, the northeast corner of Fifteenth street and New York avenue being the most valuable part of the square.

The Equitable Building ground at Fifteenth and G streets, is assessed at $22 a foot, the Commercial Bank corner, Fourteenth and G, at $20 a foot, and the Bond Building corner, at $15 a foot. Taken as a whole, this square is said to be the most valuable piece of land in the city.

ASSESSMENTS ON IMPROVEMENTS.

The assessments on improvements range from 40 to 65 per cent of true value, averaging about 50 per cent. The New Willard Hotel is assessed at $620,000. The Colorado Building is assessed at $350,000. The Star office and the Loan and Trust Building are each assessed at $200,000, and are among the few large structures assessed up to the average of 50 per cent of true value. It is safe to say that neither the Williard Hotel nor the Colorado Building is assessed up to the average for improvements.

The most valuable private residences in the city stand on adjoining squares on the south side of Massachusetts avenue northwest. One is assessed at $250,000 and the other at $225,000, probably not more than one-third of their cost.

Outside of the city limits the discrimination in favor of the owner of vacant land as against the home owner is even more striking than in the city. Improvements are assessed at from 50 to 60 per cent of their cost, while land is assessed at from 10 to 30 per cent of its true value, an average of not more than 25 per cent.

For example, land in block 27, Petworth, purchased three years ago for 30 cents a foot, now worth about 40 or 45 cents a foot, is assessed at 12 cents.

The land in blocks 37 and 38 is assessed at 2, 3, 4, and 5 cents a foot. None of this land can be bought for less than from six to twelve times the assessment.

Land in block 39 was purchased for 18 cents a foot about three years ago, and for 25 cents a foot about eighteen months ago, and frame houses costing probably $2,200 and $4,000 erected thereon. This whole block is assessed at 2 cents a foot, not more than 10 per cent of true value. The improvements are assessed at about 50 per cent of cost.

Very recently land in blocks 73 and 78, on which about forty brick houses are being erected, sold for 40 cents a foot. Three-fourths of the land in these blocks is assessed at 5 cents a foot, the balance at 6 and 8 cents.

The assessment on the land in Petworth is from 10 to 30 per cent of true value, averaging about 20 per cent. The improvements are assessed at fully 50 per cent.

Let no one imagine that the owners of vacant land in Petworth have been specially favored. An examination of the assessor's books will show that the same discrimination has been made in favor of the land speculator in every other section of the District. Millions of square feet which can not be bought for less than from 10 to 50 cents a foot are assessed at from 1 to 10 cents a foot, and thousands of acres which can not be purchased for less than from $2,000 to $8,000 an acre are assessed at from $400 to $2,000 an acre.

The flat buildings of the District seem to be taxed according to location rather than actual value; those in the business section, like the Stoneleigh, being taxed on a 50 per cent basis, and those in the suburbs and outlying sections on a 10 and 20 per cent basis. This is apparent from the assessor's report for 1905 (page 81 of the report of the Commissioners), where we find that those buildings located in different sections of the city of Washington are assessed as follows:

Northwest, 109 flat buildings, assessed at $495,200 for all.
Southwest, 1 building, at $3,000.
Northeast, 145 buildings, $351,500 for all.
Southeast, 29 buildings, at $65,300 for all.
Total, 285 buildings, at $915,000 for all.

Thus it will be seen that the average value of a flat building, according to the assessor, is only $3,210 in Washington.

If we deduct the assessed value of Stoneleigh Court from the total value of all such buildings ($915,000), we have $485,000 as the total value of 284 flat buildings in the city, making the average value of such a building only $1,705. Many of these flat buildings are immense buildings, costing hundreds of thousands of dollars. This class of property is evidently undervalued almost as greatly as lands around Rock Creek Park.

From the report of the Select Committee to Investigate Tax Assessments in the District of Columbia in the Fifty-second Congress, first session (H. Rept. No. 1469), I extract the following:

Now, the attempt to collect taxes which it is thus obvious can not be collected, and as to which there is evidently a feeling that regards their collection as unjust, must by its reactive effects render more difficult than it ought to be the full and equitable assessment of taxes on landed property. And so it is with the assessment of taxes upon buildings and improvements. The value of the small and cheaply built house may be fairly estimated by a look from the outside, but the value of one of those costly edifices that are becoming so common in the Federal District can not be told without close examination. A door, a pier glass, a marble floor, a stained window, a carved staircase in one of these houses has a value far greater than the entire homestead or hired residences of one who among the great masses of our people would be deemed well-to-do. * * * The poor man with a small and poor house has to submit. A few dollars difference in the assessment will not pay him for the time and trouble of protesting. But the rich man, with the costly house, not merely has more time and larger interests, but finds the difference in the assessment a more important matter. Thus in both these ways there are powerful tendencies constantly at work to produce unjust inequality in the taxation of buildings and improvements.

This idea is further manifest in the difference made between speculative and business interests in the city of Washington.

The latter are apparently discriminated against. In addition to the cases cited from the report of the jury in the Sixteenth-street extension proceedings, I might cite numerous others which have come to light through the newspapers. For instance, take the following items:

One square north of Holmead Manor, from Fourteenth street extended to Brightwood avenue. Assessed at $700 per acre; equal to 1½ cents to 2½ cents per foot. Sold from 30 cents to 35 cents per foot.

Five acres in Jones tract, on Sixteenth street extended, just beyond Brightwood, sold at $3,500 per acre. Assessed at $300.

Nine acres opposite Cleveland cottage sold at $6,000 per acre. Assessed at $150 per acre.

March 29, 1903, 4 acres joining the Catholic University grounds sold for $4,500 per acre. Assessed at $700 per acre.

November, 1894, Dumblane farm, 100 acres, sold for $150,000. Assessed at $150 per acre.

Twenty-nine and one-half acres on Rock Creek Ford road, plat 6, assessed at $150 per acre. Total value, $4,420.

Rosedale, Tennallytown road, assessed in 1893 for $300 an acre. Sold for more than $3,000 per acre.

February, 1894, 14 acres sold for $185,000, or $13,214 an acre. Assessed at $6,730 per acre.

Fifty acres between Brookland and Metropolitan View sold to a syndicate of Washington, New York, and Richmond men for $107,000. Assessed at $35,832.

From all these citations it is evident that the land of the District of Columbia is not taxed as under the law it should be, and shows that were the National Government to assume the entire cost of the District of Columbia, as some people would have it do, that no one would be benefited except the landowners. From the report of the committee before cited, page 9, I find these words:

> They (the landowners) would still demand from tenants the full rental value of land regardless of the remission in the assessment on it, and the effect of this net increase in the profits of landowning would be to raise the selling value of land and to greatly stimulate land speculation. Thus the effect of such liberality toward the Federal District on the part of Congress would ultimately be only to increase enormously a few large fortunes and to drive a greater number of citizens into narrower quarters and make it more difficult for them to live.

It is inconceivable how the method of assessment which now obtains in the District of Columbia can be reconciled with the law governing the assessment of taxes, which I cited at the beginning of my remarks, namely, that—

> All real estate in the District of Columbia subject to taxation, including improvements thereon, shall be assessed at not less than two-thirds of the true value thereof.

This law appears to be habitually violated in the District assessor's office. The facts above stated prove that it is entirely disregarded.

In the article of Mr. Oyster we find him making virtually the same charges and stating the answer of the assessor. Mr. Oyster said:

> That tax dodging, a species of graft, is one of the greatest evils of this day and generation is conceded by every honest man, and that Washington has its full quota of tax dodgers and grafters is self-evident. In my judgment the assessors are more responsible for this shameful condition of affairs than the owners of property, at least so far as real estate is concerned.
>
> "It is not only wrong, but it is unsafe," said ex-President Harrison in a speech before the Union League Club, of Chicago, in 1898, "to make a show in our homes and on the street that is not made in the tax returns. This country can not continue to exist half taxed and half free. Each person has a personal interest—a pecuniary interest—in the tax returns of his neighbor. We are members of a great partnership, and it is the right of each to know what every other member is contributing to the partnership and what he is taking from it. It is not a private affair; it is a public concern of the first importance."
>
> Thus encouraged by the words of the honest man and great statesman above quoted, I make bold to challenge the fairness of the past and present assessments of real estate and personal property in this District.

TESTIMONY OF EXPERTS.

In 1892, under oath before a select committee of the House of Representatives, appointed "to inquire into all alleged irregularities pertaining to assessments in the District of Columbia," Samuel Phillips, ex-president of the Washington and Georgetown Railroad Company, a large owner of real estate, and an expert on the value of such property, said: "I have been familiar with every assessment made in Washington during the past thirty years, and there has never been one which has not been viciously defective, bearing severely on some, who were generally the poorer class, with inexpensive improvements, and favoring the richer, with large and important buildings. * * * The rich man will probably get off with the payment of one-half the taxes that are placed upon the poorer men."

A number of other experts on real estate values gave similar evidence before that committee, which is printed in House Report No. 1469, Fifty-second Congress, first session.

PETWORTH PROTESTS.

With these statements in mind, and after investigation, having reason to believe that all subsequent assessments had been "viciously defective," I introduced, and the Petworth Citizens' Association, in April, 1905, unanimously adopted, a series of resolutions setting forth the above facts, and requested the assessors to correct the injustice complained of by assessing all property equitably, on the basis of value, "without fear or favor," as required by law.

THE ASSESSOR'S STATEMENT.

In reply to these resolutions Hopewell H. Darneille issued a statement addressed to the Commissioners in defense of the board of assessors, in which he asserted that certain statements in the resolutions of the Petworth Association were unjust and conveyed "an imputation which the board of assessors justly resents." In the statement referred to he also said: "the assessing of either real or personal property is, in the abstract, purely a matter of opinion based upon experience and comparison. * * * I do not undertake to defend the action of the authorities intrusted with the assessment of real estate for the past thirty years, but with a full knowledge of the records of this office, I can state that I know of no radical departures from what values should have been. * * * In regard to the discrimination in favor of large holdings, it may or may not be that property for years has been assessed unjustly, in that small homes have paid from 25 to 50 per cent higher rate, but certain it is that such is not the case now. Both large and small properties are assessed on the same basis."

The majority of taxpayers—and every man and woman pays taxes directly or indirectly—will, doubtless, agree with Mr. Darneille that the assessing of property in the abstract has been "purely a matter of opinion," and, in a very large number of cases, very poor opinion, indeed.

If, "with a full knowledge of the records of his office," the assessor knows of "no radical departures from what values should have been," then I respectfully suggest that he "store his mind with useful knowledge" by reading House report No. 1469, above referred to.

DISAGREES WITH THE ASSESSOR.

Notwithstanding Mr. Darneille's assertion that "both large and small properties are assessed on the same basis," under the new assessment an examination of the assessments on a large number of improvements in different sections of the city has demonstrated to my satisfaction that the assessments on that class of property vary from about 40 to 60 per cent of true value, and in exceptional cases still higher on small improvements, averaging about 50 per cent for the District, the advantage, as usual, being in favor of the larger and more valuable building.

Nor does the complaint stop with the method of the assessment of lands and their improvements. Mr. Oyster urges the following complaint against the method of assessing personal property:

> There also appears to be a very large screw loose somewhere in the personal tax appraisement machinery. This class of property in Washington is alleged to be assessed at 100 per cent of true value, and on that basis amounted to $26,575,819.66 last year.
>
> Compare our $26,500,000 assessment on personal property on a 100 per cent basis with such cities as Cleveland and Cincinnati on a 60 per cent basis, with San Francisco on a 65 per cent basis, and with Detroit on a 100 per cent basis, and consider what the great difference between the assessments in those cities and Washington means. Does it mean what has been frequently charged by Senators and Representatives in debate on the floors of Congress, that this District is "the paradise for tax dodgers?"
>
> The following are the assessments on personal property in the cities named (see Census Bulletin No. 20, p. 440) for the year 1903:

City.	Population.	Rate.	Amount.
		Per ct.	
New York	3,716,139	100	$680,999,092
Chicago	1,873,880	20	100,901,052
Philadelphia	1,367,716	100	427,501,825
Boston	594,618	100	236,157,523
Cleveland	414,950	60	51,851,959
San Francisco	355,919	65	127,554,179
Cincinnati	332,934	60	44,785,710
Detroit	309,619	100	81,271,400
Providence	186,742	100	40,241,069

Cleveland, only one-fourth larger in population than Washington, in 1903, on a basis of only 60 per cent of true value, assessed double the amount of personal property assessed in Washington in 1905, on a basis of 100 per cent of true value. On the Washington basis the assessment in Cleveland would have been about $88,000,000, about three and one-third times our assessment. San Francisco, not much larger than Washington in population, in 1903, on a basis of 65 per cent of true value, assessed over four times as much as our assessment in 1905. On the Washington basis of 100 per cent the assessment in San Francisco would have been about $172,000,000, six and one-half times the assessment here in 1905.

What is the trouble with the Washington personal tax machinery? Is it with the machine or with the engineers? If the trouble is with the machine, then Congress should reconstruct it. If not, then the assessors should rigidly enforce the law, and all those within its reach should honestly obey it and "render unto Cæsar the things which are Cæsar's."

And there is no proper machinery for correcting these abuses; for whenever a taxpayer appeals from an assessment on his property, the appeal lies from the man who made it in one capacity to the same man in another capacity. The board of equalization should be an entirely different board from the board of assessors.

2. The enormous outlay or expense.—The regular force in the assessor's office consists of thirty men; one at $4,000; two at $2,000 each; three at $1,400 each; seven at $1,200 each; three at $3,000 each; one at $1,500; eight at $1,000 each; two at $900 each, and two at $600 each. In addition to this the appropriation bill for 1905–6 carried $2,500 for temporary relief. The salary roll was $43,000. The total expenditure for the assessor's office is placed in the report of the Commissioners of the District of Columbia for 1905, at $64,397.

The salary account in the assessor's office for the city of

Buffalo for the same period, was $21,753; other expenses, $1,914; total, $23,669.

The Washington office is complicated to the extreme, and the expense account entirely too large.

The department of assessors cost Pittsburg, for the year ending January 31, 1905, $37,000, or $27,397 less than Washington.

The assessment of the revenue for the city of St. Louis for the year ending April 10, 1905, was $70,360, or but $5,963 more than Washington, although double in population and nearly double in wealth.

3. The system of exemptions.—The fact that the United States pays one-half of the expenses of the District of Columbia seems to have led the local population to the idea that property and privileges in the District should be taxed at one-half the rate paid by the people of other cities. By the act of June 11, 1878, directing the Commissioners of the District to make estimates of the probable expenses for the ensuing year, the following provision is made:

To the extent to which Congress shall approve of said estimates, Congress shall appropriate the amount of 50 per cent thereof and the remaining 50 per cent shall be levied and assessed upon the taxable property and privileges in said District other than the property of the United States and of the District of Columbia.

This provision is ambiguous. It does not define taxable property; and the Commissioners have exercised a very broad discretion in the matter of declaring particular pieces of property nontaxable or exempt.

In 1904 the total assessed value of land exempt in the District of Columbia was $177,306,418, and the total assessed value of improvements exempt was $106,600,430, making a grand total of $283,906,848, which was at that time 57 per cent of the entire assessed value of property in the District.

The property exempt comprised not only property belonging to the United States and the District of Columbia, but also property devoted to religious, charitable, and educational uses. The total valuation of exempted property under the last three heads was $12,616,686.

Considering the rapid increase of holdings by religious, charitable, and educational institutions in the District, I heartily concur in a suggestion contained in the report of the assessor for the year 1902, which is:

Immunity from participation in the expense of the municipality is a privilege which should be sparingly granted. That a statute should be enacted clearly defining what property is exempt from taxation, confining the same to institutions conducted wholly for public benefit, and leaving as little discretion as possible with the officials of the Government, thus avoiding opportunities for and claims of discrimination.

I trust that the Members of the House will give these matters which I have presented the consideration which they deserve.

Distribution of President's Message.

SPEECH

OF

HON. JAMES R. MANN,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Friday, December 15, 1905.

The House being in Committee of the Whole House on the state of the Union and having under consideration the resolution (H. Res. 42) for the distribution of the President's message—

Mr. MANN said:

Mr. CHAIRMAN: We have under consideration the usual resolution of the House for the distribution of the President's message to the various committees of the House, which have jurisdiction of the different subjects referred to in the message. To that resolution the gentleman from New York [Mr. PAYNE], in the opening of this debate, gave notice that he proposed to offer an amendment referring so much of the President's message as relates to the regulation of insurance companies to the Committee on Ways and Means. The only method by which the Committee on Ways and Means could exercise jurisdiction over the subject of insurance would be through the taxing power. Immediately, when he made his proposition to that effect, I asked him some questions, drawing the attention of the House to his proposition.

There are three committees of this House which may claim jurisdiction of bills relating to insurance, depending upon the theory of the different bills. The Committee on Ways and Means might properly have jurisdiction of a bill which proposed to exercise the taxing power. If the theory of the bill is that insurance shall be regulated on the ground that it be interstate commerce, then the bill should properly be considered by our Committee on Interstate and Foreign Commerce. On the other hand, it seems to me that it might be wise to have the Judiciary Committee consider the subject in the first instance and determine whether in the opinion of that committee Congress can constitutionally exercise any jurisdiction over the general subject of insurance in the several States, and if so, under what provision of the Constitution and upon what theory.

I do not contend that all the bills that may be introduced upon the subject shall necessarily be referred to the Committee on Interstate and Foreign Commerce, but I object to any reference of the President's message which shall assume that the only way in which regulation can be had is through the taxing power of the Government.

Mr. Chairman, no more grave question has ever been presented to the Congress of the United States than the question as to how far we can and ought to go in the control by the nation of the corporate interests of the country. And when we come to the solution of that great question I hope that every Committee of this House that is willing to give attention to it may have before such committee a bill upon the subject, and that every member of every committee may have received information by his committee work in giving active personal attention to the consideration of the subject.

I dispute the proposition that we can only act in insurance matters through an exercise of the taxing power. Mr. Chairman, in my service of eight years in this House, as a member of the Committee on Interstate and Foreign Commerce, I have been compelled to give some attention to the subject of insurance. In the bill creating the Department of Commerce and Labor, which I had the honor to report from that committee into the House, there was a section creating a Bureau of Insurance. In section 6 of that bill as reported into the House our committee proposed that—

There shall be in the Department of Commerce and Labor a bureau to be called the "Bureau of Insurance." * * * It shall be the province and duty of said Bureau, under the direction of the Secretary, to exercise such control as may be provided by law over every insurance company, society, or association transacting business in the United States outside of the State, Territory, or district wherein the same is organized, and to foster, promote, and develop the various insurance industries of the United States by gathering, compiling, publishing, and supplying all available and useful information concerning such insurance companies and the business of insurance, and by such other methods and means as may be prescribed by the Secretary or provided by law.

When that bill came before the House for consideration, the solid Democratic side of the House, aided by some very distinguished gentlemen on the Republican side of the House, who had been excited, possibly, by the various State insurance commissioners, succeeded in voting out of the bill by a narrow majority the section creating the Bureau of Insurance. If that Bureau of Insurance had remained in the bill it is certain that much valuable information would have been gathered and published concerning insurance companies and their methods of doing business and that a careful study of the subject of insurance and of national regulation of that subject would have been made and presented to Congress by this time.

Mr. Chairman, some time ago, and before the recent scandal concerning insurance companies in New York became public property, I addressed myself to a study of the insurance question, and I have prepared two rough drafts of bills upon the subject. One of these bills proceeds along the lines of giving the National Government practically exclusive control of insurance on the ground that it is interstate commerce. I do not know that I shall ever introduce that bill, because I have grave doubt both of its constitutionality and of its propriety. I realize as well as other gentlemen in the House that we have before us constantly the question as to whether we shall endeavor to wipe out the State lines and reduce the States practically to the same position which the counties now occupy in the country—mere geographical divisions, with little or no authority of government.

The other bill, which I expect possibly to introduce, will not, I think, to any extent trench upon the constitutional question.

After the House had stricken out of the bill creating the Department of Commerce and Labor the section creating a bureau of insurance, there was inserted in conference a provision giving the Bureau of Corporations power to gather and publish information concerning insurance companies, a power, I believe, never yet exercised to any extent. But I would go further. I would provide that an insurance company, voluntarily on its part and without requirement of law, be permitted to register itself in the Bureau of Corporations, after investigation by that Bureau as to its financial condition and as to its following the provisions of law in its business. Then it should receive a certificate as to its condition, giving also to the Bureau the power constantly of examination for the purpose of obtaining

public information concerning the insurance companies and forbidding the company, if the Bureau shall find it in unsound financial condition or violating the law at any time, from afterwards using the fact that it had ever been registered in the Bureau, or had received any certificate as to its condition, on the penalty only that it could not make use of the mails.

Here is an opportunity for Congress to act, if it wishes to do so, without trenching upon the rights of the States, or interfering with the control of the States over insurance within their own borders, and not affecting the question of taxation in the States, but simply affecting the question of public information. The difficulty we meet now in the country is that, while it is possible for the State of New York to control the insurance companies in her State, it is not possible for the State of Illinois to control the insurance companies in New York. Illinois may exclude them from her midst, but she can not control them, and it is not practicable for every one of the States to have great insurance companies. We shall continue probably to have the bulk of the insurance business done by the great companies.

Mr. WILLIAMS. Does not the gentleman think that the power to exclude an insurance company as a foreign corporation, not protected by the interstate-commerce clause of the Constitution, carries with it the power to admit it, provided it does business in accordance with certain regulations prescribed by the State to which it is admitted?

Mr. MANN. I presume that follows, Mr. Chairman. At least that has always been the contention which I have made; but that does not affect the right of the State of Illinois to do anything with the New York company. All it can do is to keep it out or let it in under certain terms, and if the people of Illinois wish to take out insurance in a New York company they may do so, but they can obtain no information through their own sources except by exercising the power of exclusion.

I would furnish to all the States information derived by the Government only when the insurance companies voluntarily give it. That information which would have the stamp of careful examination, so that the people of all the States might have the information voluntarily given by the company, and I take it that it would be a great aid to each of the States and the insurance departments of each of the States. As the matter now stands, if an insurance department of one State wishes to know anything about the insurance company of another State it must send its own examiners to that State. I would not take away that power; I would not force them to duplicate the examinations; but I would make it so the insurance company shall have the opportunity to be examined and the examination be made public, whether it be for the insurance company or against the insurance company.

Mr. GOULDEN. Will the gentleman allow me a question?

Mr. MANN. Certainly.

Mr. GOULDEN. Does the gentleman think that the exclusion from a State by the department would be sufficient to keep all companies in line of duty?

Mr. MANN. Why, Mr. Chairman, I do not think; I know it has not done so. Gentlemen talk about what the powers of a State ought to be and what the powers of the National Government ought to be. The trouble is that it has not taken care of the insurance question. We all know that some of the insurance companies are not run as they ought to be; that the people do not have the information to which they are entitled. Referring again to the able remark of a former distinguished Democrat, it is a condition and not a theory merely which confronts us. We can theorize about the power of the National Government, the powers of a State, and meanwhile the people are being deprived of their rights under insurance.

Insurance has become no longer a luxury. It is a necessity to the people of the land. They are entitled to as much protection as the Government can afford them. I would not deprive the States of the rights which they have, but I would supplement their rights by furnishing to the people of all the States as much information as the insurance companies were willing to give, and I think public sentiment and business would soon force them to furnish by this method all the information which they could concerning the character of their business and their financial condition.

Mr. WATSON. Will the gentleman allow me?

Mr. MANN. Yes.

Mr. WATSON. Isn't it a fact that they have been making voluntary statements for many years? Have not the Equitable, the New York Life, and all the other companies been making voluntary statements as to their condition? Isn't that true?

Mr. MANN. They have not been doing it under an examination by the National Government. It is a fact that they have been making statements to the various State insurance superintendents and commissioners. It is a fact that they have been frequently examined, and it is also a fact that these statements have been sometimes false or misleading, and that these examinations have been utterly insufficient to ascertain the truth.

Mr. WATSON. That being true, what difference would these voluntary statements make? What difference would there be in the voluntary statements proposed by the gentleman and those heretofore made?

Mr. MANN. If the gentleman will pardon me, I presume I did not make myself as clear as I should. I would permit the insurance company to make a voluntary application for a register, and when the application is made give the Commissioner of Corporations the opportunity and make it his duty to make a most thorough and careful examination, both as to the financial condition of the company and as to the legality of its business, and to publish the facts which he finds and give a certificate as to the condition of the company.

Mr. WATSON. But the statement of the company is to be voluntary?

Mr. MANN. I would not require the company to submit to an examination except on its own application; and when it makes application, give to the Commissioner of Corporations the power to make a most complete examination. I see no difficulty at all in that.

Mr. LITTLEFIELD. The gentleman will pardon me. His idea is that, having submitted to the jurisdiction, they could have no complaint to make as to the extent to which it goes?

Mr. MANN. If they submit to the jurisdiction, if they get a register, they must submit to the examination, and the people, in the conduct of their business, would force them to do it. A certificate that they had passed this examination and had obtained a register would be issued. I would not put any compulsion on them, so far as power is concerned, except the compulsion of a want of business.

Mr. PRINCE. Will the gentleman allow me an interruption?

Mr. MANN. Certainly.

Mr. PRINCE. Does the gentleman have in mind an examination somewhat similar to that which national banks are now subjected to?

Mr. MANN. Well, if I had my way I would give them a much more complete examination than the national banks are now subjected to. I think that is not as complete as it should be.

Mr. PRINCE. I was going to suggest that there are a number of national banks in these prosperous times in the hands of receivers, and yet in each case the bank examiners have certified that it was a proper place for the people to put their money on deposit, and it has turned out that it was not a proper place for them to deposit their money.

Mr. MANN. People will conitnue to fail, companies will continue to fail, corporations will continue to go out of business no matter what examinations may be provided; but, under the proposition which I make, the General Government, through the Commissioner of Corporations, will be able to make as complete an examination and exercise as complete control over any insurance company which submits itself to examination as though the Government had full and complete authority upon the subject.

My proposition is that any insurance company wishing to avail itself of the provisions of the act may make application to be registered and may, after the proper examination by the Bureau of Corporations, receive a certificate stating that such company is registered; that any company which is registered shall furnish an annual statement, under oath, showing its condition; that the Bureau of Corporations may at any time require additional information to be furnished and may make such inquiries and such inspection and examination as is desired; that it shall be the duty of the Commissioner of Corporations to make examinations often enough to keep fully posted not only as to the method of doing business by the insurance company, but also as to its financial condition. The only penalty which I propose for a company which declines to permit the Commissioner to make an examination at any time is to revoke the certificate of registry. This may not be a perfect method of bringing insurance companies under the control of some national authority, but I think that no company would be able to transact business long without having received the certificate of the Commissioner of Corporations.

What the people want to know is the condition of the insurance company and whether the character of the business which it writes is a legitimate business or a pure gambling speculation. It is impossible for each of the forty-five States and the different Territories to exercise sufficient control over the various insurance companies of the land to insure safety to their respective citizens.

I do not in this bill propose to trench upon the rights of the States at all. I propose to give an additional safeguard to the

people, the safeguard of thorough examination, of complete inspection, of uniform publication.

Now, Mr. Chairman, I protest against a bill drawn along these lines, which has no reference to the taxing power, being sent to the Committee on Ways and Means, whose only jurisdiction over the subject-matter is by the imposition of a tax. I believe that the Committee on the Judiciary or the Committee on Interstate and Foreign Commerce ought to be given the power to pursue the investigation of such a bill. I would favor a resolution such as was passed at the other end of this Capitol, providing that the Committee on the Judiciary shall make investigation of the question, but I would not foreclose the right of the members of other committees to pursue their investigation.

Nobody in this House believes that there will be legislation enacted at this session of Congress upon the subject. It is too grave a question to decide in a moment. It will require the best thought of the ablest people possibly for years, and when action comes it may come only a step at a time; but to now say that we refuse to consider the question is not fair to ourselves, is not fair to the insurance companies, and, what is more important, is not fair to the people who either have insurance or who may wish to take insurance. [Applause.]

The CHAIRMAN. Does the gentleman from Illinois reserve the balance of his time?

Mr. MANN. Mr. Chairman, I reserve the balance of my time.

Denaturized alcohol Free of tax in the arts and industries and for fuel, light, and power—The farmers' coal mine—The manufacturers' raw material.

SPEECH

OF

HON. E. J. HILL,

OF CONNECTICUT,

IN THE HOUSE OF REPRESENTATIVES,

Monday, April 16, 1906.

The House having under consideration H. R. 17453, entitled "An act for the withdrawal from bond, tax free, of domestic alcohol when rendered unfit for beverage or liquid medicinal uses by mixture with suitable denaturing materials"—

Mr. HILL of Connecticut said:

Mr. SPEAKER: On the 25th day of May, 1896, nearly ten years ago, I addressed the House of Representatives on the subject of free alcohol in the arts and industries. I showed then that it was not a new proposition, for on the 22d of June, 1888, William McKinley, chairman of the committee on resolutions of the national Republican convention of that year, had embodied it in the party platform, and that it was not even a new legislative proposition, for it had been made a part of the Mills bill in 1888, and the report of the Senate Committee on Finance had referred to it as follows:

Senate Report No. 2332, Fiftieth Congress, first session.

Mr. ALDRICH, from the Committee on Finance, submitted the following report (to accompany bill H. R. 9051).

The Committee on Finance, to whom was referred the bill (H. R. 9051) to reduce taxation and simplify the laws in relation to the collection of the revenue, respectfully report:

* * * * * * *

The provisions of the substitute which allow the use of alcohol in the industrial arts free from taxation would prove of great benefit to a large number of important manufactures. Alcohol is used in the production of more than 500 mechanical and pharmaceutical preparations and in many of the mechanical and industrial arts, and its use in all these directions would be largely extended if the onerous tax should be abolished. The heavy tax upon alcohol unnecessarily increases the price of many manufactured products, with no corresponding benefit except the resulting revenue, which is now unnecessary.

Free industrial alcohol was actually authorized in the law of August, 1894, known as the "Wilson bill," but Mr. Carlisle declined to carry it into effect, on the ground that further legislation than that contained in section 61 was necessary "for an effective and beneficial execution of the law." The real reason, as was well understood at the time, was the condition of the Treasury, and a fear of further loss of revenue.

The provisions of both the Mills bill and the Wilson bill included the use of free denatured alcohol in patent medicines and liquid alcoholic medicinal preparations of all kinds, and according to the best estimate at that time, would have deprived the Treasury of about $2,000,000 annually. The bill now before the House specifically forbids the use of tax-free denatured alcohol in such preparations, and this, supplemented by the fact that wood alcohol and other inferior, but more expensive substitutes have during the past ten years almost wholly displaced tax-paid grain alcohol in manufacturing operations, eliminates the question of revenue from serious consideration, but in lieu of that we find the strange claim advanced that a so-called "vested interest" in a vicious system is good ground for its continuance.

POLICY OF THE UNITED STATES IN TAXATION OF SPIRITS.

The first taxation of spirits was in 1791, and varied in amount from 9 to 25 cents per gallon, according to the degree of strength. This taxation continued till 1800, when it was repealed upon the recommendation of Thomas Jefferson.

It was renewed as a war measure in 1813 and repealed in 1818.

For forty-four years spirits were free of all tax.

In July, 1862, the tax was again imposed as a war measure and fixed at 20 cents per proof gallon.

On March 17, 1864, it was raised to 60 cents per gallon.

On July 1, 1864, it was raised to $1.50 per gallon.

On January 1, 1865, it was raised again to $2 per gallon.

In 1868 it was reduced to 50 cents and increased in 1872 to 70 cents. Increased again in 1875 to 90 cents, and on August the 28th, 1894, increased to $1.10 per proof gallon, where it now stands.

EFFECT OF TAXATION.

In 1860, with alcohol free of tax, the consumption of distilled spirits was about 90,000,000 gallons, or about 3 gallons per capita. David A. Wells estimated that 33⅓ per cent of this was for industrial purposes. He says:

The consumption of distilled spirits in the United States previous to the war for a great variety of purposes had become enormous, affording a practical illustration of the curious varying relations between prices and consumption, and also of what may be considered in the light of an axiom in political economy, namely, that practically there is no limit to the consumption of any useful commodity, provided that through a reduction of cost or price it is brought within the purchasing power of those who desire to consume.

And the reverse of this process is equally effective. The first result of the tax was a reduction in consumption and a falling off in production in 1863 to 16,000,000 gallons, and as the tax was increased a still more marked effect was shown in other directions. Wells says:

The immediate effect of this imposition and rapid increase of internal taxes on distilled spirits was a series of industrial and commercial phenomena, more remarkable than anything of the kind before recorded in economic history. In short, the influence of these taxes was to entirely and rapidly revolutionize great branches of domestic industry, and in some instances to utterly destroy them.

Under a $1.50 and a $2 tax for four years prior to 1868, the consumption was twenty-five hundredths of a gallon per capita for all purposes. Under a 50-cent tax for four years from 1868 to 1872, the consumption was 1½ gallons per capita, so that with the tax lowered 75 per cent the consumption increased 600 per cent.

In 1874, under a 70-cent tax, it was 1.4 gallons per capita.

In 1876, under a 90-cent tax, it was 1.23 gallons per capita.

In 1880, under a 90-cent tax, it was 1.21 gallons per capita.

In 1900, under a 90-cent tax, it was about 1.15 gallons per capita.

In 1905, under a $1.10 tax, it was 1.36 gallons per capita.

We have reached a result, from the folly of our legislation in the past, that the one product of our farms which we can produce cheaper than any other nation in the world has been driven out of industrial uses by excessive taxation, and the comparatively small quantity which we do make is confined almost wholly to beverage and liquid medicinal purposes.

It has made us unable to compete with our commercial rivals in the markets of the world in some industries in which we have superior natural advantages, and in others compelled us to be dependent upon them for our home requirements instead of supplying their wants, as we should be now doing but for this enormous tax.

The height of all absurdity was reached in the last eighteen months in importing from the Far East nearly 7,000,000 gallons of gasoline to meet the ever-increasing demand for power purposes, when we might have grown the corn which would have made a better, cheaper, and safer fuel upon the very farms from which the demand for power came.

We might produce artificial silk for the whole world, for the cotton and corn from which it is made grow here side by side, and we have a world monopoly of both. But it takes a gallon and a half of alcohol for every pound of the finished product, and $3.12 tax excludes the industry and yields no revenue whatever. Meanwhile we are paying France $2.50 per pound for an article which we could easily make for $1.25, and furnishing them the raw material with which to make it, free of tax.

We are shipping in bond thousands of gallons of alcohol yearly across the Canadian border free of tax for the manufacture of fulminating powder in Canadian factories and by Canadian workmen and bringing back the finished product at 30 per

cent duty, for domestic consumption, instead of selling to them the finished product, as we surely will do under this legislation.

Under a drawback system we allow our factories to use foreign spirits free of duty for export products, while taxing the like product of the American farm $2.08 per gallon when put to an identically similar use.

We are dependent upon Germany for a sufficient supply of fusel oil, a product of the distillation of spirits. In twelve years our imports have increased from half a million to three and one-half million pounds and the price from 2.4 cents to 13.2 cents per pound. One hundred and fifty bushels of corn or 750 gallons of spirits yield 1 gallon of fusel oil. It is used for the manufacture of lacquer and is essential to the hardware and brass goods industries. We should be exporters rather than importers of it.

These are some of the effects of our system of taxation of domestic spirits.

THE POLICY OF OTHER COUNTRIES.

England first began the policy of free methylated spirits for manufacturing purposes only in 1855, the compound consisting of 25 per cent methyl and 75 per cent ethyl alcohol. It was found to be expensive and the regulations irksome. In 1861 the scope of the law was enlarged, taking in all uses except for beverages and medicines and reducing the quantity of the denaturing material from 25 per cent to 10 per cent, but the burdensome supervision continued till 1891. Since that time this compound has been confined to manufacturing uses, and another compound known as "mineralized spirits" made by adding three-eighths of 1 per cent of mineral naphtha to the former mixture. In this form it is freely sold at retail. In addition pure spirit and special denaturing for special purposes is permitted.

It is fair to say that the use of methylated spirits in England has not been nearly as general nor the advantages derived from it anywhere nearly as great as in Germany. Owing to the high tax—about two and one-half times our own—the fear of frauds on the revenue caused the restrictions upon its use to be very severe and expensive. Instead of the system being placed under regulations to be prescribed from time to time by the revenue board and changed as experience and special conditions might justify, they were placed in the body of the law, so that they were rigid and inflexible. A year ago, driven to it by German competition, a commission was appointed by Parliament to recommend such changes as they might find necessary for a larger and more economical use of denatured spirits, and this bill before the House is in general accord with these recommendations, which are the result of fifty years of English experience and about twenty years of German success. With this bill enacted into law, and with regulations under it prescribed by the Commissioner of Internal Revenue in substantial accord with those of England and Germany, there is not the slightest doubt but that the United States will have a decided advantage over our commercial rivals in the world's market in the use of this almost universal raw material, for while England can make alcohol at a somewhat lower price than Germany, we can easily beat them both in productive cost. Indeed, I am quite confident that the difference in cost will soon offset the bounty which the English commission recommends and which Germany is now paying.

In Germany, two principal methods of methylation are used, designated as "complete" and "incomplete."

The complete consists of 100 parts alcohol and 2½ parts of a mixture made of 4 parts of wood naphtha and 1 part pyridine base.

The incomplete, of 100 parts of ethyl and 5 parts of methyl alcohol.

There are also many special denaturants for special uses. The schedules may be changed by the federal council of the Empire, in accordance with changing conditions, and manufacturers' reports of consumption and products are required, as in England. The body of the law consists of but six lines of print.

In England the denatured spirit is prepared at the distilleries; in Germany, both by licensed methylators and at the factories where it is used.

The methylation at the distillery would seem to be the safer and more economical method, and is the plan specifically provided for in the present bill.

Germany began the system in 1888 with a consumption of 20,467,768 proof gallons, and in 1904 it had increased to 73,635,249 proof gallons, or nearly quadruple that of fifteen years ago.

France has an internal-revenue tax on spirits of $1.12½ per proof gallon. General denaturing consists of 10 parts wood spirit to 100 parts of ethyl alcohol. Many forms of special denaturants are allowed on approval of the ministry. For factory uses, denaturing is done at the factories under supervision. Since 1902 the Government has allowed from the general treasury a bounty of 5 cents per proof gallon to reduce the cost of spirit for fuel, light, and power.

In Switzerland the sale of spirits is a Government monopoly, the intention of the authorities being to secure a profit of about 50 cents per proof gallon.

Denatured alcohol is sold at cost, under the forms of "absolutely" and "relatively" denatured spirits, under regulations substantially similar to those of France.

Austria-Hungary has ordinary methylated spirit with a 2½ per cent adulterant, consisting of wood naphtha and pyridine bases, with special denaturants for special uses.

In Russia the sale of spirits is a Government monopoly, but duty-free denatured spirits are allowed under very liberal provisions prescribed by the minister of finance.

The general denaturant consists of 5 parts of wood naphtha with 1 part of pyridine bases to 100 parts of spirits. For street lighting it is 20 parts turpentine to 100 parts alcohol.

Holland allows both ordinary and special denaturing. The ordinary is with 1 part of wood to 8 parts of ethyl alcohol.

In Belgium total or partial remission of tax is given to denatured alcohol for manufacturing purposes only, but in seven years—from 1896 to 1902—the quantity used increased from 126,658 gallons to 924,421 gallons.

I have thus given the general conditions under which our principal commercial rivals use denatured alcohol wholly or partly free of tax, and in some cases aided by liberal bounties. Practically all commercial nations pursue a similar policy, except the United States, which of all others is qualified by the possession of the best and cheapest raw material and the highest inventive genius to make it the greatest success. Why do we not do it?

Most persons after a careful examination of the subject respond at once that there is but one side to the question and absolutely no argument against it. But three excuses for nonaction have been brought forward. Let me briefly consider them.

It is claimed—

First. It will cause a serious loss of revenue.

Second. It will be injurious to the temperance cause.

Third. It will be hurtful to the competing wood-alcohol industry.

If even a pretense of any other excuse can be conjured up, I should be glad to hear and answer it now.

And first, as to the revenue. There are but two ways in which the revenue can be affected:

First. By a substitution of tax-free for tax-paid alcohol in legitimate industries.

Second. By a restoration of denatured spirit and its fraudulent use.

So far as substitution is concerned, the mischief is already done, and the prophecy of Commissioner Wilson nine years ago, when he urged a tax of 55 cents a proof gallon on wood alcohol, is already fulfilled. He said then:

> Although the manufacturers do not admit that it is or can be used in beverages, they do urge its capability of replacing ethyl alcohol for many other purposes. And they claim that, if present conditions continue, in a very few years it will have superseded the taxed article entirely for all medicinal purposes where it is used externally. Should these expectations be realized, and from present indications there is no reason whatever to doubt their realization, a very serious deduction in the amount of tax collected from distilled spirits by this office must be anticipated.

The anticipation is already a reality, not only with relation to all lines of industries covered by this bill, but with many liquid preparations also. So that the question of revenue, both by the admission of the Secretary of the Treasury and the president of the wood-alcohol company, may be dismissed from serious consideration. The highest estimate of loss made by anybody was by Mr. M. N. Kline, of the Philadelphia Trades League, and he declared the outside figures to be $390,852 annually. I have heard another estimate, based upon the claims presented under section 61 of the Wilson law, naming $250,000 as the highest possible sum. In either case, it would be trivial compared with the advantages gained and would probably be more than offset by customs dues on increased importations of manufacturers' supplies.

Second. So far as frauds on the revenues are concerned, from recovery of the denatured spirits, is it not about time that the American people refused to acknowledge that they can not do at all what every other civilized nation is now doing successfully? After fifty-five years of experience in England, their commission reports "*that when spirit is used for general and universal purposes, such as heating and lighting, the present mineralized methylated spirit is perfectly satisfactory both to the revenue and the public,*" and even recommend that their present regulations should be made "*less stringent and more elastic.*"

All of the evidence shows that recovery is more difficult and much more expensive than the distillation of the spirit from the grain itself, and fraud has been practically suppressed in that line.

Last year alone, under existing law, 3,430,829 gallons of grape brandy were withdrawn from bond, tax free, to fortify sweet wine, and the law has been in effect for the past fourteen years, and to the extent of about 26,000,000 gallons withdrawn without frauds upon the revenue. The various Departments of the Government withdrew last year, free of tax, 2,113,389 gallons of alcohol, principally for the manufacture of smokeless powder. If it can be used in this way for beverages and munitions of war, why should it not be also for the arts and industries of the nation? There is no more danger of fraud in the one case than in the other.

The second objection is that it will be injurious to the temperance cause, but unfortunately for the soundness of this objection it is only advanced by the producers of untaxed wood alcohol and is absolutely nullified by the most sincere and earnest advocates of the temperance cause, not only in this country, but in Europe, where actual experience with denatured spirit laws justifies them in speaking authoritatively. I shall answer this objection by reading letters from some of the highest temperance authorities in the world, supplemented by equally good authorities in this country:

THE COTTAGE,
THE INDUSTRIAL FARM COLONY,
Duxhurst, Reigate, England, March 17, 1906.

DEAR SIR: Thank you for your letter of February 26. In reply I would say that I am strongly in favor of removing the tax from denatured alcohol. I believe alcohol of this sort is going to be one of the great factors in locomotion, and consequently I believe it to be a wrong thing and, from the temperance point of view, absurd. It is quite possible that people may drink methylated spirits in England under alcoholic madness, but I have also known them to drink paraffin out of lamps, although such cases are rare, and legislation based upon such examples is not reasonable.

Believe me, yours, very truly, ISABEL SOMERSET.

W. JOHNSON, Esq.

LAUREL, MD., *March 14, 1906.*

Hon. E. J. HILL, M. C., *Washington, D. C.*

MY DEAR SIR: You will recall that when Mr. Pierce, of the Wood Products Company, was giving his testimony he introduced several clippings from English newspapers indicating that the people over there had gotten to drinking methylated spirits; that drunkenness ensued, and that the friends of temperance were opposed to the law.

I immediately wrote to Secretary Williams, of the United Kingdom Alliance, the strongest and most influential temperance organization in Great Britain, asking him if the stories put out by the wood-alcohol people were true. I have just received the inclosed cablegram rather fiercely denying the statements.

I am thinking that the original cablegram would be useful to you, so am inclosing it.

Respectfully, W. E. JOHNSON.

LONDON, *March 14, 1906.*

JOHNSON, *Laurel, Md.:*

Allegation of drunkenness and temperance party's attitude absolutely baseless. Barely one case published yearly.

WILLIAMS,
Secretary United Kingdom Alliance for Suppression of Liquor Traffic.

NATIONAL TEMPERANCE LEAGUE,
Paternoster House, London, E. C., March 12, 1906.

DEAR MR. JOHNSON: I am much interested in your letter of February 24, and hasten to reply to the points you raise regarding methylated spirits. Methylated spirit consists in the United Kingdom of 90 per cent ethyl alcohol, rendered unfit for drinking purposes by the addition of 10 per cent of wood spirit (methyl alcohol) and three-eighths per cent of mineral naphtha. This spirit, under certain restrictions (quantity, storage, etc.), is sold duty free for burning, varnish making, and for manufacturing purposes. If the mineral naphtha is omitted, then the excise impose further restrictions, the object being to render the liquid unfit for consumption as a beverage. The presence of the mineral naphtha is easily proved by the addition of a few drops of the methylated spirit to water, when, if the naphtha is absent, nothing is observed, but if the naptha is present, the water becomes turbid. The presence of the naphtha has prevented the drinking of the methylated spirit excepting in some few rare and degraded cases. The fact that methylated spirit is free from duty has not in the slightest degree militated against temperance reform. As a matter of fact, the two things do not in this country come at all into conflict one with the other.

Yours, very truly, JOHN T. RAE, *Secretary.*

W. E. JOHNSON, Esq.

INTERNATIONAL ELECTORAL SUPERINTENDENT'S OFFICE,
Temperance Institute, Newcastle-on-Tyne, March 10, 1906.

DEAR MR. JOHNSON: Glad to hear from you again and hope you are well.

You may assure your friends that the methylated spirits don't trouble us here. It is all "bunkum" that "the cheap methylated spirits have played havoc with the temperance reform" in England. I never heard of a person being charged with drunkenness from using such spirits. I should like to see the cuttings from the papers you name, but I should say it is all a system of falsehood.

In England the same class of people declare that prohibition is a huge failure in America, and thus they try and set off one country against another, so far as temperance reform is concerned. My policy is always to disbelieve these reports until I get some very direct and reliable information.

Kind regards. I am, very truly, GUY HAYLER.

LAUSANNE, *March 12, 1906.*

Mr. WILLIAM E. JOHNSON, *Laurel, Md.*

DEAR MR. JOHNSON: I have just received your letter of February 26 about the havoc the tax-free methylated or, better, denatured spirits would have caused in Switzerland.

I don't know which are the English papers in which the question is made notice of. What is sure is that we have no notion of it in Switzerland. I have never, never heard mentioned that the denatured spirits were, on any appreciable extent, drunk and that this feature of our monopoly law would have increased drunkenness.

The situation is the following:

The Swiss Federal Government regulates the quantity of alcohol to be distilled. It rectifies the alcohol to be drunk and sells it to wholesale liquor dealers at a high price. It denatures the alcohol destined for industrial purposes and sells it at cost price directly in quantities of at least 150 liters at the same time to bona fide manufacturers. The proceeding of selling "en gros" excludes completely the possibility of drinking, on a great scale, the denatured spirit. It is possible that an old drunkard, employed in a firm where denatured alcohol is used, steals a bottle of denatured spirit, but these are only exceptional cases. The control exerted by the Federal Government and the cantons is very strict, and fraud is almost impossible. This feature of our monopoly selling of denatured spirit for industrial purposes at a cost price is regarded by all temperance people as an excellent one, and we don't lose an occasion for pressing the utilization of alcohol for industrial purposes. It is its only legitimate use.

I remain at any time at your disposal.

Yours, faithfully, DR. R. HERCOD.

UNITED KINGDOM ALLIANCE,
LONDON AUXILIARY,
20 Tatull Street, Westminster, S. W., March 9, 1906.

DEAR MR. JOHNSON: In reply to your letter just to hand, I may say that there is no duty levied by our Government on methylated spirits, which are supposed to be undrinkable. As a matter of fact, they are sometimes drunk by seasoned drunkards, but the reports to which you refer which intimate that a considerable amount of drunkenness is thus caused are entirely fallacious. I have never yet heard of a single case in our London police courts where it came out in evidence that a man or woman convicted for drunkenness became drunk on methylated spirits. I have read occasionally of some districts where, on account of its cheapness, such spirit is consumed, but this form of the alcoholic evil is very limited, and does not bulge out into any public prominence.

Sincerely, yours, DAWSON BURNS.

W. E. JOHNSON, Esq.

CHRISTIANIA, *March 15, 1906.*

WILLIAM E. JOHNSON, *Laurel, Md.*

DEAR SIR: In reply to your kind letter of February 25, I have the pleasure of informing you that it can by no means be said that the people in Norway drink denatured spirits, or that the tax-free denatured spirits has "played havoc" with the temperance reform "or greatly increased drunkenness."

It occurs that very weak or deep-sunken individuals even use denatured spirits for intoxication, but only as perverse exceptions. If such use of denatured spirits had any extent, it must be regarded as sure that the temperance friends had been interested in finding measures against this drinking. This has not been the case.

The consumption of denatured spirits for industrial or scientific, etc., purposes has increased from about 582,000 liters in 1900 to about 891,000 in 1904; during the same time, a period of economically bad times, the consumption of alcohol in (not denatured) spirits, beer, and wine in Norway has decreased from 2.77 to 2.6 liters per inhabitant, and the number of arrests for drunkenness in our three largest cities decreased from 24,000 to 14,400.

Yours, very truly, A. TH. KIAER,
Secretary of Central Bureau of Statistics.

[Translation.]

LES ANNALES ANTIALCOOLIQUES,
12 Rue de Conde, Paris, March 22, 1906.

DEAR COLLEAGUE: I have received your letter of February 28, relative to methylated spirits, as is called in France "denatured alcohol," for use in the industries. It is easy to reply to your questions. First, it is absurd to say that drinkers drink methylated alcohol. I do not know of a single example of this malady. Besides there is very little methyl alcohol manufactured in France, because the law having in view to facilitate the industrial use of ethyl alcohol has suppressed the duties on ethyl alcohol, which has been submitted to denaturization. Now, this denaturization consists in the mixture with ethyl alcohol of a nauseating substance, which renders the product undrinkable. This substance is ordinarily acetone. One would have to be insane in order to drink denatured alcohol. The English papers of which you speak have bluffed their readers. Second, all the temperance people, not only in France, but in all countries, are favorable to the industrial use of ethyl alcohol, because they consider that it is a practical means of fighting against alcoholism. They sum up their theory in these words, "It is better that alcohol should be burnt in the automobile than in the stomach." To favor alcohol for industrial use is a good thing to do, because it is a means of getting into the good graces of the manufacturers of alcohol. All the temperance papers are making a campaign in favor of industrial alcohol. In all the expositions of temperance congresses I have seen very fine exhibitions of machines destined for the use of industrial alcohol, in particular at Dresden and Budapest. Believe, my dear colleague, in my best sentiments.

DR. LE GRAIN.

[The Christian Endeavor World, March 22, 1906.]

ALCOHOL IN THE ARTS.

We made a mistake in opposing editorially the measure now before Congress placing denaturized alcohol on the free list. It is a measure favored by the leading temperance workers of the country, and with reason. It is not a saloon measure, but originated with manufacturers into whose processes alcohol enters. These are the makers of varnish, hats, soap, powder, paint, furniture, etc. They wish to use grain alcohol instead of wood alcohol and mineral naphtha and other costly, dangerous, and inferior substitutes. They should have it for that purpose. In addition, there is its use for heating, cooking, and for motors.

To be sure, the measure is favored by the distillers, for it gives them a new market; but it is a legitimate market, and no one objects to their entering it. A long-standing argument against prohibition is this: What will the farmers do with their grain if you abolish the liquor traffic? This increased use of alcohol in the arts will help to answer that argument.

The bill provides carefully for the chemical denaturizing of the alcohol before it is released from taxation. This process renders it absolutely and permanently undrinkable, and removes all objections to the bill that temperance workers could entertain.

THE EFFECTIVENESS OF ALCOHOL DENATURATION.

Crude wood naptha mixed with some of the pyridine bases, which come from the residium of coal tar, is among the more common agents for denaturing alcohol in Europe. The following letters from Prof. J. H. Long, professor of chemistry of the Northwestern University, and H. W. Wiley, Chief of the Bureau of Chemistry of the Department of Agriculture, both ex-presidents of the American Chemical Society, show how completely these chemical processes make this industrial alcohol nauseating and undrinkable:

U. S. DEPARTMENT OF AGRICULTURE,
BUREAU OF CHEMISTRY,
Washington, D. C., January 30, 1906.

Mr. W. E. JOHNSON,
Editor Standard Encyclopedia of the Alcohol Problem,
Laurel, Md.

DEAR MR. JOHNSON: I am working now on a paper which I propose to bring before the Committee on Ways and Means on the subject of the use of tax-free alcohol in the arts. I will answer your questions as briefly as possible and in the manner which you request.

1. It is practicable to denaturize alcohol so as to make it undrinkable for the ordinary consumer. There are many persons, however, whose taste is so depraved and whose craving for alcohol is so great that they will drink it directly off of anatomical specimens. No amount of denaturing could prevent consumption of alcohol in this way, but the amount so consumed would be naturally very insignificant.

2. Alcohol is undrinkable when properly denatured because of its excessively bad taste and odor.

3. The skillful chemist is able, in most cases, to secure again a pure alcohol from the denatured product. This would not be possible, however, for the ordinary man untrained in chemical manipulations, and the cost of producing a drinkable alcohol from the denatured article would be far greater than paying the tax.

I feel very strongly that the use of tax-free alcohol for technical purposes can be permitted without sacrificing in any respects the interests of the Treasury in the matter.

Respectfully, H. W. WILEY, *Chief.*

NORTHWESTERN UNIVERSITY MEDICAL SCHOOL,
Chicago, Ill., February 5, 1906.

Mr. WILLIAM E. JOHNSON,
Laurel, Md.

DEAR SIR: In answer to your questions about denaturing alcohol I will say this: Common ethyl alcohol may be very readily denatured so as to render it absolutely unfit for drink. For this purpose different materials have been used in different countries. In this respect the German laws have been the most perfectly worked out and are the most liberal.

Theoretically it is possible to refine or rectify this denatured alcohol so that it may be again converted into whisky, but this change can not be carried out economically or practically except by the use of complicated apparatus. It can not be done on a large scale without calling the attention of the United States revenue officials, and would be as easily detected as any other fraud against the Government.

The proposed law is a safe one, and the danger of furnishing a beverage to whisky consumers through its provisions is extremely remote. My point is that while this denatured alcohol can be rectified in a laboratory way, its wholesale rectification would be an extremely difficult matter, and a process easily detected. Of course you know that some topers will drink any crude material, even wood alcohol; denatured alcohol could be made even more unpalatable than the commercial wood alcohol on the market.

Yours, truly, J. H. LONG.

LEADING PROHIBITIONISTS INDORSE THE DENATURED-ALCOHOL MOVEMENT.

The movement for tax-free alcohol, chemically denaturized so as to be undrinkable, for industrial purposes has been agitated from time to time in this country for eighteen years. In that time not a temperance or prohibition organization of any kind has ever opposed it. Almost without exception every temperance reformer who has ever investigated the subject at all heartily indorses the movement as an economic reform of great value to the temperance cause. The following letters from four of the best-known conservative prohibition leaders of the country indicates the sentiment of the enemies of the saloon on this subject:

From Hon. Samuel Dickie, president of Albion College, vice-president of the New Voice Company, and for twelve years chairman of the national Prohibition committee.

PRESIDENT'S OFFICE, ALBION COLLEGE,
Albion, Mich., January 31, 1906.

Mr. WM. E. JOHNSON, *Laurel, Md.*

MY DEAR JOHNSON: I am in receipt of yours of January 29, and replying thereto allow me to say that I very heartily indorse the position you take. There is no just reason why the Government should impose a special tax on alcohol properly denatured and adapted only to mechanical and industrial uses. I think it will be a step in the right direction if such tax were removed.

Yours, truly, SAMUEL DICKIE.

From Dr. I. K. Funk, LL. D., of New York, editor in chief the Standard Dictionary, founder of the New Voice, etc.

EDITORIAL ROOMS OF THE STANDARD DICTIONARY,
New York, January 31, 1906.

Mr. WM. E. JOHNSON, *Laurel, Md.*

MY DEAR MR. JOHNSON: I am most heartily in favor of the removal of all taxation from alcohol when properly denaturized. It has been exceedingly shortsighted of our rulers in Washington to have so long permitted this industry to be so sorely handicapped. No good comes from this tax, except to Germany and other foreign countries, which are America's commercial rivals.

Yours, very truly, I. K. FUNK.

From Hon. Joshua Levering, the Maryland philanthropist, and Presidential nominee of the national Prohibition party in 1896.

E. LEVERING & CO.,
Baltimore, Md., January 31, 1906.

Mr. W. E. JOHNSON, *Laurel, Md.*

MY DEAR MR. JOHNSON: Yours of 29th instant duly to hand, with inclosures as stated, and some have had my attention. While I had not given the matter referred to much thought heretofore, I am favorably impressed with the view you present of it, and should think it desirable that a law, such as you outline, should be passed by Congress, containing, of course, proper restrictions and penalties to protect it from evasion.

Yours, truly, JOSHUA LEVERING.

From Hon. A. A. Stevens, president of the New Voice Company, and member of the national executive committee of the Prohibition party.

TYRONE, PA., *February 1, 1906.*

Mr. W. E. JOHNSON, *530 The Temple, Chicago Ill.*

MY DEAR JOHNSON: I have yours of January 27 to hand, and contents noted. I have never given any attention to free alcohol denatured for industrial purposes. The whole proposition looks like a very sound one, and I can not see why it ought not to be developed. You know it is entirely out of my line. I am not a chemist, nor run in that line at all. It is an adjunct that can not help but produce good results. In any way I can aid you in the matter I will be glad to do so.

Very truly, yours, STEVENS.

THE PROPER USE OF ALCOHOL.

The following leading editorial was published in The New Voice, the leading prohibition organ of Chicago, in its issue of December 15, 1904. The editorial was written under the direction of the editor, Hon. John G. Woolley, was personally revised by him, and represents his views:

"In the foregoing pages is given a somewhat comprehensive survey of the movement for untaxed alcohol for use in the arts and industries. The Prohibitionists, as a rule, have paid no attention to this movement, neither favoring nor opposing it.

"But would not such a policy be of material advantage to the prohibition cause?

"Our war is not against either alcohol or the proper use of alcohol. We have no quarrel with the man who wishes alcohol to pickle snakes, to light his house, to drive his automobile, to manufacture hats, varnishes, shoes, enamels, dyestuffs, shellacs, lacquer, finish for pianos and organs, and a thousand things which enter into the manufactures of everyday life.

"We have no objection to any useful thing that can be done with alcohol. We place alcohol on the same plane with poisonous drugs and impure meat. We have no objection to the sale of impure meat for making soap, or fertilizer. But when poisonous drugs—cocaine, morphine, arsenic, etc.—are sold indiscriminately for improper purposes, or when the butcher attempts to market impure meat for eating, how quickly do the war dogs of justice swoop down on the offender! Why should we single out alcohol as an exception to this rule?

"Germany is now producing nearly 100,000,000 gallons of alcohol annually for industrial purposes. The United States has practically suppressed the manufacture of alcohol for proper purposes, and only produces about 12,000,000,000 gallons for all purposes, save in the form of whisky, beer, etc., and only about 1,000,000 gallons of this is used in manufacturing.

"We import our finest soaps, and many similar articles, because we have suppressed their manufacture here by our prohibitory tax on one of their important ingredients.

"The policy would not cause any appreciable loss of revenue, because, owing to the prohibitive tax, we get practically no revenue out of it anyhow.

"By allowing free alcohol, Germany has become the chemical laboratory of the world.

"Remove the tax on alcohol, when properly denaturized, and we shall not have to argue any more about what to do with the distilleries. Tell them to go ahead and make alcohol for proper purposes and quit selling it to make fools of men.

"There is probably not a distiller in the country who would not rather make alcohol for a legitimate and useful purpose than for a market that brings down on his head the bitter maledictions of half the human race.

"The proper way to cure a bad boy of his meanness is to kill the meanness and not kill the boy.

"We do battle against the saloon and not against the proper, legitimate use of alcohol.

"The United States has suppressed the use of alcohol for proper purposes, and gone into partnership with scoundrels who wax fat, drowsy, and wicked by marketing it for destructive and confessedly improper purposes.

"This policy needs reversing; suppress the improper use of alcohol and promote its use in the arts and industries."

YOUNG MEN'S CHRISTIAN ASSOCIATION,
Hartford, Conn., March 12, 1906.

Hon. EBENEZER J. HILL, M. C.,
Washington, D. C.

DEAR SIR: I take the liberty of dropping you a letter to say that I am heartily in favor of the bills now pending in Congress to take the tax off of alcohol for industrial purposes after it has been chemically denatured so as to be undrinkable. I believe I voice the sentiment of many of Hartford's best citizens when I say that I believe that the passage of these bills will do much for temperance reform, as well as for some of our manufacturing industries.

I sincerely trust that you will support these bills.

Respectfully, yours, NOEL H. JACKS.

Let me add my own opinion, that if there was no other justification for the passage of this law, the information gained by the separation now of the industrial uses of spirits and possibly later by the separation of medicinal uses under a different system, will for the first time in our history leave the beverage use segregated, so that it can be handled intelligently and free from all complications in the solving of our taxation problems in the future, and in that respect it is the wisest possible temperance legislation which could be devised.

The third objection is that it will be hurtful to the competing wood-alcohol industry. What is that industry? It is the destructive distillation of wood or the making of charcoal in retorts and the condensation of the smoke and vapor. The resulting product is pyroligneous acid, which, treated with lime, produces both acetate of lime and wood alcohol. The average cost of a cord of wood delivered at the works is $2.50. The products will be about 50 bushels of charcoal, at 5.2 cents, $2.60; 200 pounds of acetate of lime, at 1.39 cents, $2.78; 10 gallons of wood alcohol, at 32.3 cents, $3.23. Total, $8.61.

The industry first appeared in the Census of 1880. Prior to that time it was charcoal making only. To-day each of the two principal by-products exceed in value the one on which their production is based. The value of wood alcohol is purely a fictitious one, based not upon its cost of production, but wholly upon its possible use as a substitute for a much better alcohol made from grain, the price of which in the United States has been multiplied from 1,500 to 2,000 per cent by internal taxation. The wood alcohol is not taxed, and, being a poison, can not or should not be used for beverage purposes. The beverage use of grain alcohol is taxed in nearly all countries, and is by far the largest revenue producer under our internal-taxation system. But aside from such use, there is no more justification for taxing grain than wood alcohol, and no more reason for taxing either than there would be in taxing the corn or the oak trees from which they are made.

The industry is not a large one. According to the Census of 1900, there were 93 establishments producing crude wood alcohol, employing 1,487 persons and turning out a total valuation of all products of $3,833,266. According to the manufacturers' census of 1905, the production of wood alcohol, acetate of lime, and charcoal has increased in five years to $7,469,526. There were also nine other refining works only. The total capital invested in the 102 establishments was $6,717,699.

To all intents and purposes the industry is controlled by a corporation known as the Wood Products Company, of Buffalo, N. Y., and is probably as near to what is commonly known as a "trust" as anything of that kind in the country. Its president is H. J. Pierce, of Buffalo, and its selling agent, William S. Gray, of New York City. In 1896 Mr. Pierce testified before the Ways and Means Committee that his company—then the Manhattan Spirit Company—handled about 75 per cent of the crude wood alcohol production of the country. This year he testified as follows:

Mr. CLARK. Is it not true that your company absolutely controls the product of refined wood alcohol, both as to the price to the producer of raw or crude alcohol and the price that it is sold at to the consumer?
Mr. PIERCE. We refine about 75 per cent of all the wood alcohol made in the United States.
Mr. CLARK. You control the price absolutely?
Mr. PIERCE. To a large extent we do.
Mr. CLARK. You fix the price at both ends of the line?
Mr. PIERCE. We do to a large extent; but there are other large manufacturers.

At another point he testified as follows:

The CHAIRMAN. Is there any understanding about the price of 70 cents per gallon among the manufacturers?
Mr. PIERCE. Well, we try our best to regulate the figure.
The CHAIRMAN. At 70 cents a gallon?
Mr. PIERCE. Yes, sir.
The CHAIRMAN. That is general among the manufacturers of wood alcohol?
Mr. PIERCE. Yes, sir.
The CHAIRMAN. That is the understanding between them?
Mr. PIERCE. We have meetings at different times to talk matters over. There is considerable cutting of prices—that is, somebody will be getting a five-barrel price on a single barrel.

At another point questions were asked as to the price abroad, and it was shown that the price abroad delivered was less than in the home market. On page 144 is the following:

Mr. SMITH. What is the price of refined wood alcohol in Germany?
Mr. PIERCE. I think the price of refined wood alcohol in Germany is about 63 cents per gallon.
Mr. SMITH. Do you sell it at that; I understand that you are selling your product in Germany?
Mr. PIERCE. Over there they use denatured alcohol, and we sell our product in crude material. We ship only crude material there and they refine it up to such a point as they wish for denaturing purposes.
Mr. SMITH. How does the price at which you sell it in Germany for denaturing purposes compare with the price you get for it here?
Mr. PIERCE. It averages just about the same. At the present time the price we are getting for crude wood alcohol in Germany is 37 cents and here it is 40 cents.
Mr. SMITH. So that, as a matter of fact, it is a fact that the German Government is encouraging the use of denatured alcohol in the arts and manufactures, and that has not really operated to reduce the price of wood alcohol there; has it?
Mr. PIERCE. No, sir.
Mr. SMITH. So that it has really done your industry no harm?
Mr. PIERCE. No; not in Germany.
Mr. SMITH. You meet that situation as you find it there with a fair profit?
Mr. PIERCE. Yes, sir; we only sell wood alcohol for denaturing purposes there, and, of course, here we sell it for manufacturing purposes.

It should be noted that the testimony only covers the price in Germany at the present time, but I have the best possible information that the American product has been sold generally in Europe at from 25 to 30 cents per gallon. So that our present legislation has brought us to this condition, that we are taxing the better raw material at home to death, so that we are compelled, by a combination and monopoly, to pay the price which it may dictate for an inferior substitute, while this same monopoly is selling the substitute abroad at a lower price to our competitors to denature our own grain alcohol, shipped over there free of tax, to be used in manufacturing commodities which in some cases at least are shipped here and sold to us at far higher prices than they would cost if made at home under any reasonable legislation on this subject. Is it not high time that the law was changed?

The general fact is that for many years a combination of refiners has taken from most of the producers of the crude article their entire output at prices based on the market price of the refined spirit. Protected by the tax on grain alcohol the price is fixed by their own sweet will. One witness, Mr. Sharp, of the Ashland Iron Company, claiming to be an independent producer, testified:

Mr. SMITH. The Pierce-Stevens Company fixes the price substantially, does it not?
Mr. SHARP. Sometimes it has and sometimes not. It varies 5 or 10 cents a gallon, but as a rule there is an understanding as to the price.
Mr. SMITH. There is competition in the sale of alcohol, is there?
Mr. SHARP. Yes, sir; although I wish to be fair with you and say that where we can have an understanding we do so. Although it has been in our power all the time to boost it up, however, if we want to get together and put the price higher, to-day it is selling for about 50 cents a gallon less than it was ten years ago. The price of labor has a good deal to do with that, just as it did over in Germany, where this denatured product costs now 25 and 26 cents, and cost perhaps 22 cents three years ago. The amount of farm products they had cut quite a figure.

The contracts are based on the continuance of the tax on grain alcohol, and contain clauses terminating them in case Congress repeals it. Otherwise they continue in force so long as the producers sell exclusively to the combination.

The Oil, Paint and Drug Reporter, recently commenting on prices for the past four years, says, referring to 1905:

Wood alcohol was advanced sharply and unexpectedly in March, putting values at 70 cents for 95 per cent and 75 cents for 97 per cent, 14 cents above previous quotations. The increased demand and higher cost of labor and wood were stated as factors for the advance. One explanation that was associated with the change was that manufacturers were prompted by the fact that Congress could not consider the bill for untaxed alcohol until the fall. There was no prospect of any reaction from the higher level which distillers were able to maintain throughout the year.

The Journal of Commerce Bulletin, of New York, on March 13, 1905, contains the following:

The association of manufacturers, which is working for untaxed alcohol, feel they have a very strong object lesson that they will be able to use with advantage as soon as the new Congress assembles. Congress had adjourned less than a week before the market quotations on wood alcohol were advanced by the Wood Products Company, which practically controls the manufacture of this article, without, it is asserted, any justification in the form of changed trade conditions. The advance, which amounts to 10 cents a gallon, applies on all grades, and brings the price up to the basis of 70 cents a gallon for the 95 per cent grade. As is customary whenever the price changes, no reason was given for the advance by the company, which, being located at Buffalo, simply made the trade announcement through its New York agents, the William S. Gray Company.

In view of these quotations Mr. Sharp's claim of power "to boost it up" seems fairly correct.

In 1896 the combination was known as the "Manhattan Spirit Company," and, with an annual business of $800,000, was capitalized at $4,000,000. Its successor, the Wood Products Company, is better organized. Its capital is $1,600,000 and no bonded indebtedness. It is now and for several years has been paying 8 per cent dividends, and on January 1, 1905, had a surplus of $187,948. It is evidently a very successful concern, and now on a legitimate basis of capitalization, and if the names of the directors of the company give any indications of its business relationships, it is not on terms of bitter hostility either with the crude-spirit producers or the Standard Oil Company.

With this extended explanation of the conditions under which the business is conducted, let us inquire as to whether this legislation will be hurtful to them.

Perhaps it might be a more pertinent question to ask whether it would not rather be helpful to the great army of consumers to permit them to buy a safer, better, and cheaper commodity of general use, instead of forcing them through the taxing power to purchase from a monopoly a poisonous and less effective substitute at a more than double price; but this needs no demonstration on my part. The people are answering that for themselves in the enormous mass of petitions which are flooding Congress to-day.

It might also be pertinent to ask whether, regardless of the results, we have a right, either moral or economic, to use the taxing power to benefit one legitimate domestic industry at the

expense of another. We all know of one instance where an artificial inferior substitute has been taxed for the benefit of a superior natural product, but this is the only case I know of where a tax is maintained upon an admittedly superior and cheaper natural product for the benefit of an inferior and more expensive one.

I suppose no one will deny that with both put on equal competitive terms all of the wood alcohol which is now made or which may be made in the future can be readily and freely sold at about the same price which untaxed ethyl alcohol will bring. What right has anybody to demand or claim more than this? What right has anybody to insist that conditions shall longer continue under which 80,000,000 consumers shall be forced to pay tribute to a highly refined and concentrated essence of monopoly, or that the farmer, the largest producing class, shall be sacrificed for one of the smallest, the wood-alcohol producer. Rather let each work out his own salvation, on equal terms and an even footing.

But, Mr. Speaker, I do not believe that the wood-alcohol producer or refiner is to be injured in any degree by this legislation, but that rather because of it the demand for his product will be increased.

A census of manufactures in the United States was taken last year. For the wood-alcohol industry it covered the production of 1904, except in Michigan, where, in cooperation with the State authorities, it was taken in 1903. The sheets relating to that industry have been withdrawn and tabulations made and the conclusions verified by supplementary correspondence. I submit them herewith, as furnished by the Census Bureau, under date of April 10, 1906. It is almost needless to state that both quantities and values represent totals of figures given by the persons engaged in the industry.

Wood distillation for 1904, being Census of 1905.

WOOD ALCOHOL.

	Quantity.	Value.
	Gallons.	
Crude wood alcohol reported produced, at $0.323	6,814,257	$2,201,961
Crude wood alcohol produced and consumed (calculated), at $0.323	1,468,028	474,173
Total	8,282,285	2,676,134
Refined wood alcohol reported produced, at $0.584	5,891,153	3,440,024
Duplication deducted	15,000	10,000
Total	5,876,153	3,430,024
Crude alcohol necessary to produce this refined wood alcohol (calculated), at $0.323	7,345,191	2,372,496
Increase in value due to refining		1,057,528
Total value of wood alcohol, crude and refined, at the works		3,733,662

Percentage of crude produced which is refined, 88.69.

ACETATE OF LIME.

	Pounds.	
Acetate of lime reported produced, at $0.0139	110,384,397	$1,527,733

CHARCOAL.

	Bushels.	
Charcoal reported produced, at $0.052	28,039,942	$1,455,540
Charcoal reported produced and consumed, at $0.052	14,472,915	752,591
Total	42,512,857	2,208,131

SUMMARY.

Production of wood alcohol, acetate of lime, and charcoal for the year 1904, except for Michigan, which is for 1903.

	Quantity.	Value.
Wood alcohol (the amount being gallons of 82 per cent crude and the value being total for crude and refined at factory) gallons	8,282,285	$3,733,662
Acetate of lime tons	55,192	1,527,733
Charcoal bushels	42,512,857	2,208,131
Total		7,469,526

Capital invested in wood distillation for census of 1900.

	Number.	Capital.
Establishments producing crude alcohol only	84	$4,858,824
Establishments producing crude alcohol and refining it	9	760,156
Establishments refining product of other establishments	9	1,098,719
Total	102	6,717,699

They show total production of crude wood alcohol, 8,282,285 gallons, valued at 32.3 cents per gallon. Of this amount there was required for refining purposes, 7,345,191 gallons; total crude to be marketed, 937,094 gallons. The refined product netted 5,876,153 gallons, valued at 58.4 cents per gallon, which, added to the crude remainder, as above, leaves a total of crude and refined to be marketed, 6,813,247 gallons. Of this total there was exported of crude and refined, at an average valuation of 49 cents per gallon, 1,194,466 gallons, leaving for use in this country 5,618,781 gallons. Deduct amount required for manufacture of formaldehyde and other things which can only be made from wood alcohol, 1,000,000 gallons, it leaves in a competitive market 4,618,781 gallons.

Now, it should be borne distinctly in mind that the proposed legislation does not touch liquid medicinal uses, patent medicines, hair washes, perfumeries, Florida water, bay rum, and many other liquid preparations in which it is well known that the high distillations of wood alcohol under the names of Lion d'Or, Spirit, Eagle Spirit, Columbian Spirit, and Imperial Spirit are used. It will still hold this field free of tax and with no competitor but domestic alcohol taxed at $2.08 per gallon. Is it not fair to assume that at least one-half of the remainder will continue to find its field of usefulness and market there, leaving at the outside not more than 3,000,000 gallons to be cared for, and thus prevent the fall of its selling price to a competitive basis? Now, it is a well-known fact that the best denaturant for grain alcohol is wood alcohol, and that it is in general use for that purpose throughout the world. The quantity required varies from 2½ to 10 per cent, according to the use to which the denatured spirit is put. Under this bill, as in most other countries, this is a subject of regulation to be prescribed by the Commissioner of Internal Revenue. The probabilities are, however, that for manufacturing purposes at least 90 per cent of the denatured spirit will contain 10 per cent of wood alcohol. The whole question therefore of the maintenance of the present price of wood alcohol depends upon whether enough denatured spirit is consumed to require for methylation purposes about 3,000,000 gallons of wood alcohol.

In 1860, with untaxed grain alcohol, we used about 1 gallon per capita. It was before the days of automobiles, motor boats, farm machinery, and the thousand and one uses to which the small internal-explosion engine is now put. Is it unreasonable to assume that the consumption now would be at least as great?

One gallon per capita now would mean a consumption annually of 85,000,000 gallons.

Cut it down one-half, or even two-thirds, and it is doubtful whether the present supply of wood alcohol would be sufficient to meet the demand.

But put the problem in another way. Leave out of consideration the entire demand for denatured spirit for manufacturing purposes. Ignore the requirements for new industries which are now impossible here, and for the return to the United States of old ones which have been driven out by the enormous tax, and confine the query to the single field of fuel, light, and power.

The fact is established beyond dispute that with two lamps of an equal lighting capacity, a gallon of alcohol will last nearly twice as long as a gallon of kerosene.

The fact is also established that for power purposes, while the volume of consumption of gasoline and alcohol in the internal-combustion engine is about the same, the efficiency of alcohol is about 30 per cent, as against 21 per cent for gasoline.

Last year this country consumed—

Of kerosene	gallons	534,001,500
Of gasoline	do	262,873,700
Total	do	796,875,200

It is shown by the census of 1905 that the demand is increasing far more rapidly than the supply. During the past five years the supply of kerosene increased 9.6 per cent and the value 23½ per cent. During the same time the supply of gasoline increased 3½ per cent and the value 33⅓ per cent. Everything points to a far more rapidly increasing demand in the future than is shown in the past. In view of these facts, is it unreasonable to assume that denatured alcohol, at a cost of from 10 to 20 cents per gallon, according to the price of corn, will displace at least 10 per cent of the present consumption of kerosene and gasoline? If it did, it would mean an annual requirement of 80,000,000 gallons, saying nothing of the annual increase. If it only displaced half of that quantity, there would not be wood alcohol enough for denaturing purposes.

In 1904 Germany used 36,817,624 wine gallons of denatured alcohol for industrial purposes. Assuming her population to be 50,000,000 and ours 85,000,000 and the consumption of the two nations to be alike, we should use 62,589,961 gallons. But the extravagance, wastefulness, and reckless expenditure of the

American people along every line, as compared with the forced economy and prudent expenditure of the German people, point inevitably to a much larger per capita consumption here than there.

But, Mr. Speaker, if we fell far behind Germany and every other nation in the use of this natural product of ours for fuel, light, and power, this legislation placed upon our statute books would be of untold value to 85,000,000 consumers here as a controlling and steadying force, and an available check upon the rapidly increasing prices for their products, made by the oil and coal companies, the greatest, most powerful, and most successful monopolies of modern times. If we accomplish nothing else but this, we shall not have labored in vain.

Mr. Speaker, in behalf of the exporting manufacturer who is compelled to compete in the world's markets with those of other nations where free alcohol is utilized, in behalf of the farming producer who has a right to the wider market for the products of his farm, which this legislation will bring, as an incentive to the economy which will surely result from the utilization of waste products in the increased manufacture of alcohol here, and more than all in behalf of the 85,000,000 of consumers of this product in the arts and industries and for fuel, light, and power, I ask from the Fifty-ninth Congress that this tax may be removed and that this nation may be put on an equality with the other commercial nations of the world in the keen contest which is now being carried on for the industrial supremacy of the globe.

Indian Appropriation Bill.

SPEECH

OF

HON. JOSEPH HOWELL,

OF UTAH,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, March 8, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 15331) making appropriations for the current and contingent expenses of the Indian Department, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1907—

Mr. HOWELL of Utah said:

Mr. CHAIRMAN: I desire to bring to the attention of the committee the situation of the Uintah and White River Indians in Utah. There are at present about 1,600 of these Indians, and until recently they occupied the so-called "Uintah Reservation" in said State. This reservation comprised an area of 2,432,000 acres. The act of May 27, 1902, provides, among other things, that—

The Secretary of the Interior, with the consent thereto of the majority of the adult male Indians of the Uintah and White River tribes of Ute Indians, to be ascertained as soon as practicable by an inspector, shall cause to be allotted to each head of a family 80 acres of agricultural land, which can be irrigated, and 40 acres of land to each other member of said tribes, said allotments to be made prior to October 1, 1903, on which date all the unallotted lands within said reservation shall be restored to the public domain: *Provided*, That persons entering any of said land under the homestead law shall pay therefor at the rate of $1.25 per acre: *And provided further*, That nothing herein contained shall impair the rights of any mineral lease which has been approved by the Secretary of the Interior or any permit heretofore issued by direction of the Secretary of the Interior to negotiate with said Indians for a mineral lease; but any person or company having so obtained such approved mineral lease or such permit to negotiate with said Indians for a mineral lease on said reservation, pending such time and up to thirty days before said lands are restored to the public domain as aforesaid, shall have in lieu of such lease or permit the preferential right to locate under the mining laws not to exceed 640 acres of contiguous mineral land, except the Raven Mining Company, which may in lieu of its lease locate 100 mining claims of the character of mineral mentioned in its lease; and the proceeds of the sale of the lands so restored to the public domain shall be applied, first, to the reimbursement of the United States for any moneys advanced to said Indians to carry into effect the foregoing provisions, and the remainder, under the direction of the Secretary of the Interior, shall be used for the benefit of said Indians. And the sum of $70,064.48 is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, to be paid to the Uintah and White River tribes of Ute Indians, under the direction of the Secretary of the Interior, whenever a majority of the adult male Indians of said tribes shall have consented to the allotment of lands and the restoration of the unallotted lands within said reservation as herein provided.

Said item of $70,064.48 to be paid to the Uintah and White River Utes covers claims which these Indians have made on account of the allotment of lands on the Uintah Reservation to Uncompahgre Indians and from which the Government has received from said Uncompahgre Indians money aggregating $60,064.48; and the remaining $10,000 claimed by the Indians under an act of Congress detaching a small part of the reservation on the east, and under which act the proceeds of the sale of the lands were to be applied for the benefit of the Indians.

The opening of said reservation did not occur as provided for by this act, but was postponed from time to time by several subsequent acts of Congress. The first of these was passed on June 19, 1902, about three weeks after the act above quoted, and was known as "Joint resolution 31." It contained, among other things, this clause:

In addition to the allotments in severalty to the Uintah and White River Utes of the Uintah Indian Reservation, in the State of Utah, the Secretary of the Interior shall, before any of said lands are opened to disposition under any public land law, select and set apart for the use in common of the Indians of that reservation such an amount of non-irrigable grazing lands therein, at one or more places, as will subserve the reasonable requirements of said Indians for the grazing of live stock.

All allotments hereafter made to Uncompahgre Indians of lands in said Uintah Indian Reservation shall be confined to agricultural land which can be irrigated, and shall be on the basis of 80 acres to each head of a family and 40 acres to each other Indian, and no more. The grazing selected and set apart as aforesaid in the Uintah Indian Reservation for the use in common of the Indians of that reservation shall be equally open to the use of all Uncompahgre Indians receiving allotments in said reservation of the reduced area here named.

It will be observed that originally provision was made for throwing open to entry this reservation on October 1, 1903. The Indian appropriation bill approved March 3, 1903, provided, however, that the date of the opening be deferred for one year—that is to say, to October 1, 1904—and otherwise modified the provisions of joint resolution 31, already referred to, in the following language:

To enable the Secretary of the Interior to do the necessary surveying and otherwise carry out the purposes of the act of May 27, 1902, making appropriations for the current and contingent expenses of the Indian Department for the fiscal year 1903, and for other purposes, as provides for the allotments of the Indians of the Walker River Reservation, in Nevada, and the Uintah and White River Utes, in Utah, and the joint resolution of June 19, 1902, providing for the allotment of the Indians of Spokane Reservation, in Washington, to be immediately available, $175,000: *Provided, however*, That the Secretary of the Interior shall forthwith send an inspector to obtain the consent of the Uintah and White River Ute Indians to an allotment of their lands, as directed by the act of May 27, 1902, and if their consent as therein provided can not be obtained by June 1, 1903, then the Secretary of the Interior shall cause to be allotted to each of said Uintah and White River Ute Indians the quantity and character of land named and described in said act: *And provided further*, That the grazing lands to be set apart for the use of the Uintah, White River Utes, and other Indians, as provided by public resolution No. 31, of June 19, 1902, be confined to the lands south of the Strawberry River, on said Uintah Reservation, and shall not exceed 250,000 acres: *And provided further*, That the time for opening the unallotted lands to public entry on said Uintah Reservation, as provided by the act of May 27, 1902, be, and the same is hereby, extended to October 1, 1904.

That in the lands within the former Uncompahgre Indian Reservation, in the State of Utah, containing gilsonite, asphaltum, elaterite, and other like substances, which were reserved from location and entry by provision in the act of Congress entitled "An act making appropriations for the current and contingent expenses of the Indian Department, and for fulfilling treaty stipulations with various Indian tribes, for the fiscal year ending June 30, 1898, and for other purposes," approved June 7, 1897, all discoveries and locations of any such mineral lands by qualified persons prior to January 1, 1891, not previously discovered and located, who recorded notices of such discoveries and locations prior to January 1, 1891, either in the State of Colorado or in the office of the county recorder of Uintah County, Utah, shall have all the force and effect accorded by law to locations of mining claims upon the public domain. All such locations may hereafter be perfected, and patents shall be issued therefor upon compliance with the requirements of the mineral-land laws: *Provided*, That the owners of such locations shall relocate their respective claims and record the same in the office of the county recorder of Uintah County, Utah, within ninety days after the passage of this act. All locations of any such mineral lands made or recorded on or subsequent to January 1, 1891, are hereby declared to be null and void; and the remainder of the lands heretofore reserved as aforesaid because of the mineral substances contained in them, in so far as the same may be within even-numbered sections, shall be sold and disposed of in tracts not exceeding 40 acres, or a quarter of a quarter of a section, in such manner and upon such terms and with such restrictions as may be prescribed in a proclamation of the President of the United States issued for that purpose not less than one hundred and twenty days after the passage of this act, and not less than ninety days before the time of sale or disposal, and the balance of said lands and also all the mineral therein are hereby specifically reserved for future action of Congress.

On February 6, 1904, the honorable Secretary of the Interior, in a communication addressed to the chairman of the House Committee on Indian Affairs, requested that the time for opening the reservation be again extended, this time to October 1, 1905, which request was based on a letter from the honorable Commissioner of the General Land Office to the effect that the necessary surveys of the reservation could not be completed, and the required allotments made by the date previously fixed. The House acceded to his request by incorporating such a provision in the Indian appropriation bill; the Senate, however, amended this provision by fixing March 10 as the date for the opening. This amendment finally carried. The particular clause bearing on this subject is as follows:

That the time for opening the unallotted lands to public entry on the Uintah Reservation in Utah, as provided by the acts of May 27, 1902, and March 3, 1903, be, and the same is hereby, extended to March 10, 1905, and $5,000 is hereby appropriated to enable the Secretary of the Interior to do the necessary surveying, and otherwise carry out the purposes of so much of the act of May 27, 1902, making appropriation for the current and contingent expenses of the Indian Department for the fiscal year 1903, and for other purposes, as provides for the allotment of the Uintah and White River Utes in Utah.

This act was again modified by the act of March 3, 1905, which made provision for the final disposition of these lands, and is as follows:

That so much of the act of March 3, 1903, as provides that the grazing lands to be set apart for the use of the Uintah, White River Utes, and other Indians on the Uintah Reservation, as provided by public resolution No. 31, of June 19, 1902, shall be confined to the lands south of the Strawberry River, be, and the same is hereby, repealed.

That the time for opening to public entry the unallotted lands on the Uintah Reservation in Utah having been fixed by law as the 10th day of March, 1905, it is hereby provided that the time for opening said reservation shall be extended to the 1st of September, 1905, unless the President shall determine that the same may be opened at an earlier date and that the manner of opening such lands for settlement and entry, and for disposing of the same, shall be as follows: That the said unallotted lands, excepting such tracts as may have been set aside as national forest reserve, and such mineral lands as were disposed of by the act of Congress of May 27, 1902, shall be disposed of under the general provisions of the homestead and town-site laws of the United States, and shall be opened to settlement and entry by proclamation of the President, which proclamation shall prescribe the manner in which these lands may be settled upon, occupied, and entered by persons entitled to make entry thereof; and no person shall be permitted to settle upon, occupy, or enter any of said lands, except as prescribed in said proclamation, until after the expiration of sixty days from the time when the same are thereby opened to settlement and entry: *Provided*, That the rights of honorably discharged Union soldiers and sailors of the late civil and the Spanish war or Philippine insurrection, as defined and described in sections 2304 and 2305 of the Revised Statutes, as amended by the act of March 1, 1901, shall not be abridged: *And provided further*, That all lands opened to settlement and entry under this act remaining undisposed of at the expiration of five years from the taking effect of this act shall be sold and disposed of for cash, under rules and regulations to be prescribed by the Secretary of the Interior, not more than 640 acres to any one person. The proceeds of the sale of such lands shall be applied as provided in the act of Congress of May 27, 1902, and the acts amendatory thereof and supplemental thereto.

That before the opening of the Uintah Indian Reservation the President is hereby authorized to set apart and reserve as an addition to the Uintah Forest Reserve, subject to the laws, rules, and regulations governing forest reserves, and subject to the mineral rights granted by the act of Congress of May 27, 1902, such portion of the lands within the Uintah Indian Reservation as he considers necessary, and he may also set apart and reserve any reservoir site or other lands necessary to conserve and protect the water supply for the Indians or for general agricultural development, and may confirm such rights to water thereon as have already accrued: *Provided*, That the proceeds from any timber on such addition as may with safety be sold prior to June 30, 1920, shall be paid to said Indians in accordance with the provisions of the act opening the reservation.

That the Raven Mining Company shall, within sixty days from the passage of this act, file for record, in the office of the recorder of deeds of the county in which its claims are located, a proper certificate of each location; and it shall also, within the same time, file in the office of the Secretary of the Interior, in the city of Washington, said description and a map showing the locations made by it on the Uintah Reservation, Utah, under the act of Congress of May 27, 1902 (Stat. L., vol. 32, p. 263); and thereupon the Secretary of the Interior shall forthwith cause said locations to be inspected and report made, and if found to contain the character of mineral to which said company is entitled by the act of Congress aforesaid and that each of said claims does not exceed the size of a regular mining claim, to wit, 600 by 1,500 feet, he shall issue a patent in fee to the Raven Mining Company for each of said claims: *Provided further*, That the Florence Mining Company, entitled under the act of Congress approved May 27, 1902, to the preferential right to locate not to exceed 640 acres of contiguous mineral land in the Uintah Reservation, Utah, shall, within sixty days from the passage of this act, file in the office of the recorder of deeds of the county in which its location is made a proper description of its claim, and it shall within the same time file in the office of the Secretary of the Interior said description and a map showing the location made by it on the Uintah Reservation, Utah, and thereupon the Secretary of the Interior shall forthwith cause said location to be inspected and report thereon made, and if found not to exceed 640 acres he shall issue a patent in fee to said company for the said land: *And provided further*, That the extension of time for opening the unallotted lands to public entry herein granted shall not extend the time to make locations to any person or company heretofore given a preferential right, but the Raven Mining Company and the Florence Mining Company pending the time for opening to public entry the Uintah Reservation shall have the right of ingress and egress to and from their respective properties over and through said reservation.

In pursuance of the provisions of these several acts, disposition of the lands comprised in the reservation was made as follows:

	Acres.
Added to the Uintah Forest Reserve	1,010,000
Allotted to the Indians under terms of act	103,265
Reserved for grazing	249,220
Reserved for Reclamation Service	60,313
Reserved for military occupation	3,800
Reserved for Florence Mining Company	640
Restored to public domain	1,004,000
Total	2,432,000

Those lands restored to the public domain became subject to homestead entry on September 1, 1905, but the right to enter said lands was for a period of sixty days confined to such as had been fortunate enough to obtain it in the drawing arranged for by the Commissioner of the General Land Office. At the close of the sixty-day period—that is to say, beginning with November 1, 1905—all restrictions were removed, resulting in the remaining lands being open to anybody's entry under the homestead laws. During the sixty-day limited entry period over 1,300 entries were made, aggregating some 200,000 acres.

With the advent of spring there will undoubtedly be a large influx of people to that region, from the fact that only a portion of the lands possessing agricultural capabilities are yet taken up. And the first question that will confront the settlers in the spring is that of securing a sufficient water supply for irrigation. All the lands that will be brought under cultivation must be irrigated—those of the Indians as well as the less choice lands of the white settlers. The Commissioner of Indian Affairs has already called attention to the necessity of securing for the Indians an adequate water supply, as appears from his letter printed in yesterday's RECORD; if his suggestions regarding the matter are not heeded, and the Government makes no provisions for watering the allotted lands of the Indians, it is contended by the Commissioner of Indian Affairs that there is every reason to fear that the entire available water supply will be appropriated by the whites, to the serious loss of the Indians. The present policy of the Department of the Interior is to circumvent the white settlers in their attempts on the water by refusing the necessary rights of way for the canals and ditches across the grazing lands of the Indians, which latter have been invariably chosen along the margins of the streams, and to a great extent holds the key to the diversion of these streams for irrigation.

If this policy be persevered in, it will spell disaster for the white settlers, who have entered on these lands in perfect good faith, for it will prevent them from irrigating their lands; and without water these same lands are like those of the arid region—barren and desert.

The amendment which I propose involves no new departure on the part of Congress; it has an exact counterpart in an appropriation made by the Fifty-eighth Congress for an irrigation project in behalf of the Pima Indians in Arizona. The bill now under discussion even provides for an additional appropriation for the furtherance of said project. The wisdom and urgency of this legislation is unquestioned; and I submit, Mr. Chairman, that the claims of the Uintah Indians rest upon as solid a foundation as those of the tribe I have just mentioned.

The Secretary of the Interior has recommended an appropriation of $600,000 to provide an irrigation system for the Indian allotted lands, this money to be paid back to the Government from the proceeds of the sale of said lands.

By the provisions of the act which restores the reservation lands to the public domain, the proceeds from the sale thereof are to be used for the benefit of the Indians under the direction of the Secretary of the Interior. What wiser or more permanent benefit can be bestowed upon these Indians than for the Government generously to anticipate the proceeds sure to be realized and to secure therewith while there is opportunity a sufficient water supply for these allotted lands. Such prudent action on the part of the Government would make these lands ideally fruitful and productive, and in so doing would insure to the Indians and their descendants for all time an ample means of support.

We have deprived them of the great bulk of the lands which they formerly occupied without restriction or restraint. The two million and odd acres which have been taken from them and disposed of, according to the provisions of law, furnish an ample guaranty that the money which my amendment calls for will be refunded to the Treasury of the United States.

Such a use of this fund would be infinitely wiser than an annual per capita disbursement. It would put the Indians in the way of becoming productive and accustom them to the ways of civilized industry. The lands which have been allotted to them in severalty, together with a sufficient water supply, would enable those too old or infirm to till the soil to lease on shares to the white settlers. The results achieved by the cultivation of these lands would prove an object lesson to the Indians and furnish them a strong incentive to emulate the industry and methods of the thrifty white man.

Fairness and justice demand that the Indians shall secure a primary right to sufficient water to irrigate their allotted lands. No one denies this right or would seek to deprive them of it, but now is certainly the appointed time for the Government to act in their behalf. The white settlers fully recognize the claims of the Indians to the necessary water supply, but are anxious that their necessities in this respect shall be speedily determined so that there shall be no further obstruction to the appropriation and use of the surplus waters.

These waters are subject to appropriation under the laws of the State of Utah, in which State the modern system of irrigation had its origin. Long experience and numerous court decisions have resulted in perfecting to a high degree the various irrigation laws in that State, nor can any person successfully challenge the justice or wisdom of these laws. The rights of the Indians under the solicitous care of the Indian Bureau will

be amply secure, and there need be no friction or conflict of rights.

I am sure the gentleman from New York, the chairman of the committee, has a misapprehension of the objects to be attained by the amendment; his observations in the course of his remarks on this subject, to the effect that this project involves more of benefit to the white settlers than to the Indians, show a complete absence of correct and accurate information on the particular question involved. I will say to him now that the white settlers are asking just those rights which have heretofore been freely accorded the hardy pioneer and home builder wherever he has penetrated the wilderness—the right to utilize the natural resources and elements that surround him that he may thereby redeem the waste places and make them to blossom as the rose. In the present instance these pioneers ask only the privilege of diverting the streams from their natural channels in order to bring them in beneficent courses on the parched and thirsty land to make it fruitful.

But this is the condition that confronts these brave frontiersmen: The Government has invited them to occupy and settle these lands and they, having done so, are confronted by an arbitrary and absolute refusal to make effective any appropriation of water which they may make. Without water these lands are like those in many other portions of the West, which is to say, of little value; with water, however, they will yield rich returns to reward the patient husbandman for his toil.

Wherefore, then, this deaf ear to so righteous a plea, this indifference to a situation so obviously needful of relief? Can it be that this dog-in-the-manger policy will meet the approval of this committee?

Now, Mr. Chairman, I hold to the view that it is the solemn duty of the Government, in its rôle of guardian to the Indians, to relieve the situation. Let us therefore promptly provide for a system of irrigation for these Indians' allotted lands and remove all obstacles from the pathway of the white settlers who already have enough of the forbidding to overcome without being harried and harassed by the Government.

This Uintah country is as rich in natural endowments as any portion of my State and as promising in bounteous returns; there is quite an abundance of water for power purposes, as well as for irrigation; it lies in the pathway of a projected and already partially constructed railway from the East; all this taken in conjunction with its other vast mining resources and stock-raising and agricultural possibilities, as yet practically untouched, are sure to make it in a short time one of the most populous and prosperous communities in the State.

Reorganization of the Consular Service.

SPEECH

OF

HON. WILLIAM H. WILEY,

OF NEW JERSEY,

IN THE HOUSE OF REPRESENTATIVES,

Monday, March 19, 1906,

On the bill (S. 1345) to provide for the reorganization of the consular service of the United States.

Mr. WILEY of New Jersey said:

Mr. SPEAKER: Last week there was an assemblage in this city, composed of men eminent in business and in manufactures, who came from all parts of this country. No one could look into their faces without being impressed by their intelligence and earnestness. Their mission was to urge upon Congress the necessity for reform in the consular service, both as to the character of its officials and their methods of procedure. It was my privilege to be asked to address this body, and it was at once a compliment and an opportunity. The question had presented itself to me on various occasions and under a variety of circumstances—in fact, every American who has been in foreign countries and observed commercial matters must have been impressed with the attention the consuls of other nations give to questions affecting their interests, and, if he comes in personal contact with them, with the care with which they seem to have been trained for their work. If he investigates further, he will find that many of them have been for years holding various positions in the consular service and have been promoted for merit. If he pursues the same investigation in the case of our own representatives, he will find in most cases that the reverse is true. I sincerely hope this question of reform will be agitated on the floor of this House and elsewhere, in the press, and on the platform, till an adequate remedy is found and applied without fear or favor. It is admitted on all sides that the reform is urgently needed, and I see no suitable reason why any delay should be necessary.

I had occasion last year to visit some eight foreign countries, where I followed my custom of many years' standing and visited our ambassadors and consuls, talking with them on the subject of consular conditions. This method ought to be considered as a duty by the American citizen who really has the welfare of his country at heart, since it enables him to acquire useful knowledge, while it shows to the representative abroad that his fellow-citizens are interested in his work.

As a rule, most Americans call on their representative only when they have gotten into some scrape, or else when they wish to bespeak his good offices for tickets to some function or for a presentation to some potentate. As an evidence of how our consuls compare with those of other nations I will cite but one instance, which came under my own observation. Others could be adduced if necessary. Another American citizen and I, being anxious to obtain some statistics as to the consumption of ferromanganese, went to an American consul-general, who told us without shame that he had not these statistics, but we could get them at the German consul's; and we had to conceal our blushes and ask a favor of that gentleman, who gave us the desired information quite cheerfully.

It behooves this body to consider this question carefully, for the boards of trade and chambers of commerce all over this country have taken the matter up in a most earnest manner, and are insisting on Congressional action. Last fall I published a short article on the subject, and received letters from these organizations in all parts of this country, urging the matter on Congress as one of the greatest importance. Our country is a producer and manufacturer far beyond the needs of its citizens, and is reaching out for foreign trade all over the world. The consuls by their representations and reports are the means of stimulating such trade, and as they represent us in a foreign land so is this nation judged by the people of that land. From this it naturally follows that our consuls should be especially trained for their duties, and should have command of more than one language. They should be familiar with international law, with questions of political economy, and should be thoroughly equipped for their work. This is really a matter of several years' training, and demands a college of diplomacy on lines similar to those of the War College. No one should be appointed to a subordinate position even until either he has the degree from this institution or has passed its examination. He should then be promoted as he shows capacity and fidelity. In other words, men should go to the consular service because they are fit for such work, and should not receive an appointment as a reward for political services or because of any influence their friends may possess.

The consular pay should be such as to enable the recipient to live properly and respectably. At present this service is most inadequately paid, and the result is that competent men often refuse to take the place, and we find rich men's sons or their poor relatives occupying positions which demand great ability.

I regretted very much to hear to-day on the floor of this House criticisms as to the pay proposed under this bill for the consular service. The very critics know that it is impossible in any business to get suitable employees unless they receive suitable compensation. What possible incentive has any young man to enter this service with its present salary list? This country can not afford, for its own sake, to be represented by underpaid consuls. The wonder has been that we have been able to keep in this service some of the splendid men who adorn it—for I must not be understood to be condemning the service in a wholesale fashion. I saw many a consul who was thoroughly equipped for his work, and, better still, the results of such equipment showed in the character of the work he was doing. In one instance—in Spain, where of all nations we need to produce the very best impression—I found our consul-general to be a man of education and of letters, able to converse fluently in four languages. He had been fifteen years in the service and was trained in every detail of his department. Yet in the same country I found a consul who had scarcely any knowledge of the English language. In Italy, after spending two hours in the effort to find our consul, and being sent to the South American consuls and to one consulate of Great Britain, I found our representative through the aid of a German. His house was sheltered by a most disreputable American eagle, which looked as though it had been through a clothes wringer, and when I told of my troubles I asked why he was not in the directory with the other foreign consuls. Our consul smiled sweetly and remarked: "Ah! I speak no English; only Italian." When I found that he received the munificent sum of $75 per annum I did not feel that we were entitled to a linguist.

In addition to obtaining information of use to business men of this nation, our consuls not infrequently represent us on official occasions, and our country is judged by the impression they produce on the foreigner. This brings up another question. Our consuls should wear a uniform, varying with the grade they represent. It should be unostentatious, but distinctive, and should be worn on diplomatic occasions. Even our distinguished ambassadors have been taken for attendants because of their severe black dress suits. "Republican simplicity" sounds well, but "in Rome do as the Romans do," and as other nations prescribe a consular dress we should certainly range ourselves beside them if we are to compete with them.

We uniform our Army and our Navy, and the men are proud to wear the uniform. I am quite sure that a similar feeling will be developed if we have the right men in the consular service; the uniform would always serve to make the wearer feel his position and be careful of his conduct.

The President and the State Department should have absolute control over the appointment or removal of all consuls, and over their promotion. As well expect an army to be officered by politicians and its affairs conducted by them as to have this great army of diplomats thus conducted. Many an occasion may arise where tact and diplomacy may prevent the need of invoking the Army or Navy. The nation applied the political methods to the Army of 1861 and learned a most costly lesson, and one never to be forgotten, enforced by defeats and unnecessary loss of valuable lives, due to the command being given to political soldiers. But, as always, this nation finds an effective remedy, as it did in the latter part of our civil war, replacing incompetent officers, either by veterans trained in the service, or by men who had shown fitness for their commands.

I should like to cite here a bill which I introduced into the House on February 9, as I was unaware at that time that words of similar import had been in the original Senate bill.

A bill (H. R. 14524) providing for appointments in the consular service and for filling vacancies in the higher grades.

Be it enacted, etc., That effective with the passage of this act all candidates for appointment in the consular service shall apply for the lowest grade and be required to pass an examination under the civil-service rules, and removals shall be subject to such rules and be made for cause.

SEC. 2. That all vacancies occurring in the consular service shall be filled by transfer from a lower class of the same grade in which such vacancy occurs, or by promotion from a lower grade.

I had intended to call this bill up to-day as an amendment, but I withheld it at the request of the Member from Pennsylvania, who was in charge of the bill under discussion, and who feared that any diversion might imperil the passage of the bill. I believe, however, that my bill will effect the remedy so much desired, and will result in marked improvement throughout the consular service. As to the question of our ambassadors, they must, of necessity, be appointed by the President on the same lines in which he selects his Cabinet, but when it comes to the question of their residences abroad, it is a burning shame that the United States does not own its own residence in every country where there is a minister. Other nations do this, and the result of the matter is that their ambassadors are housed in a manner worthy of the nation, and the effect produced on the nation to which the ambassador is accredited is correspondingly impressive. Within a few years a residence was offered to the United States for its minister at a very important point at the price of $300,000. This offer was declined, and the French Government took this house for its minister this last year at $600,000. One of the finest residences in a comparatively unimportant place which I visited was the house of the consul from Ecuador.

Another reason for the ownership by the United States of ministerial houses is that our ambassadors are obliged to bind themselves for a three-years' lease, and if they change their location they must sublet at serious loss. In several cases it has appeared that the cost of a suitable residence took their entire pay. An ambassador must represent his nation properly from a social standpoint. The nation expects it and we expect it. Give him, then, at least a residence commensurate with the dignity of his nation. It is a good investment, viewed from any standpoint. The various points in the bill before us have been most carefully elucidated by those having it in charge and show thoughtful study. The classification of the service is a great step in consular reform, and the abolition of fees as a consular perquisite is another move in the right direction. I am sorry, however, to see in many cases that the increase of salary is not by any means an equivalent for the loss of the fees, which, under this bill, are now turned over to the United States Government. The appointment of inspectors, as provided in the bill, will undoubtedly result in great improvements and, I venture to predict, in great changes as well. A weeding out of unsuitable men will take place on a very large scale, but no good consul need fear any inspection. So we may, one and all, heartily commend the bill and urge its passage. It is not an ideal bill and its strongest friends do not claim that it is, but it is, in their judgment, all the legislation which can be obtained at this time by the action of the Senate and the House, and is decidedly a step, and a long step, in the right direction. Future legislation will be needed to perfect the reforms of our consular service. All patriotic Members who desire to see their nation properly represented among the nations of the earth will come forward and speed the bill to its passage and will thus strengthen the hands of that far-seeing and accomplished statesman who is at the head of this service, as well as those of the honored leader of this great nation.

Receipts and Expenditures of the District of Columbia.

SPEECH

OF

HON. EDWARD DE V. MORRELL,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, April 9, 1906.

The House having under consideration bills relating to the District of Columbia—

Mr. MORRELL said:

Mr. SPEAKER: In taking up the question of receipts in the District of Columbia, I beg to say that this is the last of the subjects in connection with the government of the District of Columbia to which I shall call the attention of the House, and I shall endeavor to show that while as a whole the amount received from the various licenses, etc., is fairly large, yet there are many instances where the receipts of the District could be increased and a certain amount of economy practiced. I might add that these remarks which I have made from time to time calling attention to what I consider certain abuses in the District has not been for the sake of querulous criticism, but, by calling attention to them, if possible to bring about a better state of affairs in the District.

I may also state that in my remarks I have dealt wholly with the subject and not with the individual.

In the matter of receipts for licenses, privileges, etc., Washington fails to make as good a showing as other cities of similar grade. Much has been said about differences of condition between Washington and other cities as an excuse for the greater expenditures of Washington. This, as I have said, is a very cheap way to avoid the real issue. The District of Columbia, considered as a municipality, covers an area of about 64 square miles, much of which is agricultural and swamp land, and the additional expense of governing such area is not correspondingly equal to the expense of governing an equally crowded area.

For example, Buffalo police precincts run from 0.72 to 10.07 square miles each; Chicago has three times the area and pays but 50 per cent more; Philadelphia has twice the area, but expends but little more than 50 per cent more. The excessive expenditures of Washington are not chargeable to conditions so much as to extravagant management and inharmonious adjustments.

Thus the management of market houses seems to be faulty when all receipts from these sources in Washington are compared with the audited statements of the fiscal officers of other cities. I give the figures:

Comparative statement of receipts and expenditures of market houses, 1904.

City.	Receipts.	Expenditures.	Excess.
Washington	$11,954	$6,240	$5,714
Baltimore	58,973	25,231	33,742
Newark	41,622	23,737	17,885
Pittsburg	65,570	(a)	
Boston	110,552	13,586	96,966
Buffalo	56,652	12,149	44,403
St. Louis	32,546	7,304	25,242
Cleveland	36,860	27,288	9,572

[a] No expense stated.

Newark, a smaller city, has a net excess of receipts of revenue over Washington of about 300 per cent; Baltimore exceeds Washington more than 800 per cent; Boston, more than 1,700 per cent; Buffalo, nearly 800 per cent, and St. Louis nearly 400

per cent. The gross market receipts of Washington are out of all proportion to those of the other cities, and suggest a weakness that should be remedied.

In the same way the dramshop licenses seem to show a somewhat poorer revenue-producing power.

Revenue from dramshop licenses, 1904.

Washington	$415,985
St. Louis	1,267,507
Buffalo (1902)	566,995
Boston	1,000,000
Pittsburg	508,712
Baltimore	575,364
Cleveland	751,004
Cincinnati	418,256
Detroit (one-half to the State)	648,000
Newark (1902)	360,200

St. Louis and Boston, about twice the size of Washington, take in, respectively, three and three and one-half times as much as Washington. The revenue should be greater, and if the license is not high enough Congress should remedy the defect. If we must have saloons, let them contribute to the revenue in proportion to those of St. Louis and Boston. The liquor licenses of Washington ought to yield about $650,000. The license is $800 per annum and the traffic will safely stand $1,000.

Chicago charges a flat $1,000 license fee. Without going into the ethical questions of whether high license tends to destroy an immoral business or whether the business itself is immoral, it seems that a $1,000 license has proven itself a good business standard and not grievously burdensome to small dealers. A tax of $3 a day is not a heavy tax upon a business whose margin of profits is abnormally great. A graduated license tax beginning with $1,000 for small dealers and increasing to $2,000 for large establishments would possibly be more equitable, more regulatory, and a better revenue producer.

The wholesale liquor license tax is $300 per annum and that of the brewers $200. It appears to me that each of these should be not less than $500. Private bankers are charged $500, and their business is no more profitable than that of brewers or wholesale liquor dealers. Distillers and rectifiers are also charged $250, and these, it is suggested, should also pay $500. For the year ending October 31, 1905, the barroom licenses of Washington numbered 518 and the wholesale liquor licenses numbered 136. For the license year beginning November 1, 1905, 515 barroom applications were recorded and 134 wholesale liquor applications. It will thus be seen that the business year by year sustains about the same proportion, and it is believed that these proportions would not be changed materially by the higher license tax indicated.

The total receipts from licenses in 1904, other than barroom, were $110,496. A comparison of this amount with the amounts received by other cities for licenses, franchises, and privileges, other than barroom licenses, will show that this feature of revenue has been underworked in the District of Columbia to the advantage of those holding the franchises and special privileges:

Washington:	
All other licenses	$110,496
Franchise taxes, street railways	44,292
Cleveland	117,567
Cincinnati:	
Licenses	134,292
Excise taxes, street railways	230,045
Excise taxes, gas and electric-light companies	4,179
St. Louis	837,653
Franchises	266,440
Baltimore:	
Franchises	444,306
Licenses	90,313
Boston:	
Street railways	360,000
Dog taxes	25,000
Excise tax, street railway	65,000

Whisky and other liquors pay about six-sevenths of the total license taxes of Washington, and the same is approximately true of all the other cities, except St. Louis, where a far better adjustment of all licenses has been made, and with seeming success. The various schedules of license rates now applicable to Washington seem to be unwisely adapted, to be discriminative in their nature, and are therefore poor revenue producers. Following are a few marked instances:

LICENSES FOR SIGHT-SEEING CARS.

The Seeing Washington Cars that run daily upon the street railway tracks of Washington charge the public 50 cents a trip upon all cars. Their license tax is $6 per annum for each car not exceeding ten passengers, and $12 a car for those exceeding ten passengers. This would make a daily license rate of from 2 to 4 cents a car. The license rates should be from $25 to $50 per annum. And the automobile cars for seeing Washington should pay twice these rates. To charge a merry-go-round $12 per week, or $624 per annum, and these cars from $6 to $12 per annum is to discriminate against amusement for the children in favor of sight-seers from abroad.

Why land-improvement companies should pay $50 per annum and investment associations $100 per annum is hard to understand. Pawnbrokers at $100 and note brokers at $100 are in sad contrast with private banks at $500 per annum. Businesses that charge 3 per cent a month should pay a $500 license, if they can not be altogether prevented.

INSPECTION EXPENDITURE.

The appropriations by Congress for inspection of all kinds in 1904 amounted to $139,402, itemized as follows:

Inspector of building	$2,750
Principal assistant	1,600
Five assistant inspectors	6,000
Five assistant inspectors	5,000
Temporary inspectors	2,400
Total building inspectors	17,750
Inspector of plumbing	2,000
Seven assistant inspectors	8,400
Six assistant inspectors	6,000
Five members plumbing board	1,500
Total plumbing	17,900
Inspector of fuel	1,500
One assistant	1,100
Total fuel	2,600
Inspector of licenses	1,200
One assistant	1,000
Total licenses	2,200
Four inspectors, personal-tax board	4,800
Inspector of streets	1,200
Two assistants	2,400
Inspector of asphalt	2,400
Two assistants	1,500
Total streets	7,500
Inspector of gas	2,000
One assistant	1,000
One assistant	840
Total gas	2,840
Inspector of sewers	1,200
General inspector	1,300
Total sewers	2,500
Two inspectors of property	1,872
Inspector of material	1,200
Inspector	1,500
Inspector	1,200
Two inspectors	2,400
One inspector	900
One inspector	1,500
Total inspectors	7,500
Inspector of bridges	1,200
Four inspectors, street sweeping	4,800
Ten inspectors, street sweeping	11,000
Three inspectors, street sweeping	2,700
Total street sweeping	18,500
Six inspectors, stables	7,200
Two inspectors, stables	1,800
One inspector, stables	975
Total stables	9,975
Two electrical inspectors	2,400
Inspector of lamps	1,000
Three assistants	2,700
Total lamps	3,700
Chief inspector, health	1,800
Thirteen sanitary and food inspectors	15,500
One sanitary inspector	1,800
One sanitary inspector	1,200
One marine-products inspector	1,200
Four sanitary inspectors	4,000
Three sanitary inspectors	2,700
Traveling expense, inspectors	1,200
Total health	28,900
Four inspectors, charity	2,880
One inspector, charity	900
Traveling expense	400
Total charity	4,180
Inspector, child caring	480

One inspector, water	$1,200
Eight inspectors, water	6,400
One inspector, water	900
Total water	8,500
Total inspection	139,400

It is hard to turn around in Washington without running into an inspector. Inspectors of buildings, plumbing, fuel, licenses, personal property, streets, asphalt, gas, sewers, property, material, smoke, street sweeping, stables, electricity, lamps, health, food, marine products, horse diseases, charity, child caring, and water.

There are 129 men on the rolls as inspectors, drawing a total compensation of $139,000.

Inspector of buildings is very important, but why should Buffalo pay $8,800 for this work and Washington $17,750? Pittsburg pays but $11,500, and Boston not quite as much as Washington.

Washington pays $17,900 for plumbing inspection, and St. Louis $13,502. Other cities seem to prosper very well without any expenditure whatever for this purpose. Why pay fourteen men $16,400 for no apparent service?

Citizens of Washington tell me that they have lived eighteen months in a house without ever seeing an inspector. Others say that these gentlemen come around once in a while and act very arbitrarily. They come right in exactly as if they owned the premises. They go to the spigots and to closets. They write out a military order which contains a threat of cessation of water if certain things are not done. There is no appeal, and there is no way of determining whether it is a case of graft or bad plumbing. The day after the call it is not difficult to find plumbers all over the city with pockets full of these orders. It is a principle of law that a man's house is his castle and regulations which defy this principle are autocratic and wrong. It is unwise to put this amount of power in the hands of any one man. It opens the way to graft. Owners and occupiers of property have some honesty and pride, and may be depended upon to keep their plumbing in repair. Nine-tenths of the plumbing repair in Washington is done by owners and occupiers without notice from any inspectors. The majority of cities have no such officers and those that do pay no such salaries. Buffalo gets along with six plumbing inspectors and pays them $7,400. This $17,900 might be very well omitted from the list of appropriations without injury to any one. All spies are abominable, but spies that force their way into private houses when the male members are away and without any antecedent notice are odious in the highest degree. I had investigations made in New York, Baltimore, and Philadelphia to ascertain what they paid for fuel inspection. I was surprised to find out that these cities had no such officers as fuel inspectors, and the auditors of other cities fail to itemize such an account. Of what use are they? Washington pays out $2,600 for this purpose and it is of no advantage to any one save the inspectors.

Nor is there any use for an inspector and assistant inspector for licenses. No other city boasts of this luxury, and this $2,200 may be saved without injury to anyone.

The four inspectors of the personal-tax board are unnecessary. Buffalo assesses her property with three assessors and pays them $11,500 in all. Washington has six assessors drawing $17,000 between them, and it is hard to understand the reason for the payment of $4,800 for four inspectors for the personal-tax board.

There are three inspectors of streets drawing $3,600, besides a superintendent of streets, whose pay is $2,000, and a superintendent of county roads, whose pay is $1,500. In other cities the street superintendents do their own inspecting, and there appears to be no valid reason for the additional positions in Washington. There is also an inspector of asphalt, at $2,400, and an assistant, at $1,500. Thus, $7,500 are paid for street inspection in Washington and no real service performed. There are three inspectors of gas, drawing $3,840 per annum. What their duties are no one appears to know. The gas company furnishes a poor article of gas despite their inspection and charges the people a high price for it. If we must have gas inspectors, let the Commissioners select them and cast their pay on the gas company. This company places meters in every house using gas. If the user is not proud of his meter and asks for a test he will get it. A man comes to the house and goes through certain genuflections. If he says the meter is all right you pay his bill. If he says the meter is all wrong the company pays his bill. As the company sends him to you, the meter is generally found to be virtuous, and you are mulcted for the fee. The meter registers gas burned whether the jets are lighted or not, and when you complain you are told that the meter showed no gas used, but that the office charged it up anyhow by a system of averages that is good for the gas company whether it gratifies the public or not. The gas company of Washington has a good thing and should pay for all gas inspection.

The sewer inspection of Washington is moderate. It only costs $2,500 and two men to do the work. There are two inspectors of property, drawing $1,872, and one inspector of material, at $1,200. What these gentlemen do I can not tell, but as other cities seem to exist comfortably without them, I favor their abolition here. Then there are six plain inspectors, without any other title, drawing $7,500 in all. It is possible that these six inspectors are the inspectors of all the other inspectors. They may easily be dispensed with. The bridge inspector, at $1,200, is not a bad feature if he has anything to do.

But the greatest joker of the lot is the inspection of the street-sweeping department. Seventeen men are annually employed to inspect the street-sweeping business, and they draw $18,500. Washington paid out in 1904 the sum of $179,712 for sweeping and cleaning streets, avenues, and alleys. The inspectors received nearly 11 per cent of this fund. Now, in all seriousness, what reason is there for paying street-sweeping inspectors $1,100 or $1,200 per annum each when good men may be had by the score, fully equipped mentally, morally, and physically for the work, at from $40 to $50 per month? What is the executive office for if not to enforce the street-cleaning contract? And why should the Commissioners call in seventeen men to inspect a work that in other municipalities is done by the executive office? The appropriation in 1905 for the executive office, as appears from the statutes of the United States for the third session of the Fifty-eighth Congress, page 884, was, "in all, $76,299." In addition to this the next paragraph appropriates for other expenses of the executive office, "in all, $20,300," or a total of $96,599. To this the item of $18,500 for street-sweeping inspection should be added, for the reason that a part of the Commissioners' duties is to see that contracts made by them are properly performed. If this duty is cast on seventeen other men the expense involved should be charged to the executive department. But Washington has no need for these officers, and this $18,500 should be eliminated from the account. Granting the necessity for the offices, the pay can be reasonably reduced 50 per cent. We are glad to notice that the Commissioners report that this feature of inspection is to be abolished.

There are nine inspectors of stables, drawing $9,975. Six of these men get $1,200 apiece. There are good men—good young men—who would be glad to do this work at $60 a month, and that is all it is worth. The common decency of respectability would lead good citizens to keep their stables clean, and nine young Americans of vigor and stamina at $60 a month each would, like Hercules of old, see to it that the stables of such Washingtonians as prefer to follow in the footsteps of Augeas should not only be cleaned, but kept clean all the while.

Why pay out $2,400 for two electrical inspectors and $3,700 for four lamp inspectors? The inspectors get $6,100 and the repair men $5,540. Let us have more repairs at better pay and less inspection at lower pay.

Health inspection is something that appeals to the wisdom of all men, and a certain amount of it is proper. But Washington seems to have an excess of inspection and only an average of health. There are twenty-four health inspectors in this city, drawing $27,700 per annum, besides using about $1,200 as traveling expenses for junketing trips to outside dairy farms. Baltimore gets an equally good inspection for $11,707 and Buffalo for $14,715.

Even the charities of Washington cost $2,880 for inspection. Why pay four good, clean, honest men $720 each a year for ferreting out poverty? Where are the ministers of the city? Where are the humane societies? It seems to me that these people are as credible and as honest as any set of inspectors, and they may always be relied upon to do the best of charitable work.

Then, while stable inspectors get $1,200 a year, the inspector for the child-caring charities is paid the munificent salary of $480 a year. If nine men are worth $9,975 for stable inspection, this child-caring inspector ought to be worth about $4,000 a year. Give this inspector $1,000 at the least and cut down the stable contingent to $60 a month.

Then, notwithstanding the $17,900 paid nineteen plumbing inspectors, $8,500 more must be given to ten other men as water inspectors and an unknown amount for smoke inspection.

AUDITING DISTRICT ACCOUNTS.

From volume 1, page 20, of the Commissioners' Report for 1905, it appears that books and records of the Washington Asylum, the Industrial Home School, the office of the inspector of gas and meters, the office of the superintendent of the bathing beach, the offices of the several market masters, the office of the pound master, the accounts of collateral received at the several

police precinct stations, the accounts kept in the police department of various funds and moneys received in the nature of trust funds, and of a number of other institutions and establishments connected with the District government involving money transactions have not been made the subject of periodical examinations by the auditing department. The auditor's office is a most important one, but if it is not auditing and examining the institutions of the District which handle money it is not performing its most important function. The Commissioners say that the present clerical force is inadequate and ask for a greater amount of help. A greater economy in other lines of expenditure will make possible the complete development of this most important office. The last Congress authorized the employment of fifteen persons in that office and appropriated $23,750. It also provided for five other clerks, at an aggregate expenditure of $5,500; in all, twenty persons, at a charge of $29,250. This would seem to be enough to do all the work required of the office, and to do it well. The auditor receives no larger salary than should be paid for his work. The prices paid for other clerks are higher in proportion to Buffalo prices. The Buffalo salaries are: Comptroller, $4,000; deputy comptroller, $2,000; chief bookkeeper, $1,600; assistant bookkeeper, $1,100; three assistant bookkeepers, at $900; warrant clerk, $1,100; assistant, $900; bond and insurance clerk, $1,100; local accounts clerk, $1,000; statement clerk, $1,000; recording clerk, $900; local tax-roll clerk, $900; markets accounts clerk, $800; tax-sale clerk, $1,500; three assistants, at $1,000; countersigning clerk, $900; five clerks, $900; stenographer, $720; in all, twenty-six good clerks and officers for $29,720. If Buffalo can retain twenty-six good men for $29,720 Washington ought certainly to retain twenty-five men in minor positions, and a reorganization would produce good results.

RÉSUMÉ—REVENUE.

From Bulletin No. 20 of the Department of Commerce and Labor it appears that Washington surpassed many first-class cities in the aggregate of corporate receipts for 1903. This appears from the following table, taken from page 452 of that report.

Aggregate corporate receipts.

Washington	$10,309,266
Pittsburg	10,947,188
Cincinnati	8,431,450
Baltimore	9,092,982
Buffalo	7,013,140
San Francisco	6,470,545
Milwaukee	4,608,257
Detroit	6,284,102
New Orleans	4,541,058

Receipts from general revenues.

Washington	$9,360,149
Baltimore	7,222,784
Cleveland	6,083,107
Buffalo	5,363,000
San Francisco	6,087,171
Pittsburg	6,232,000
Cincinnati	4,230,000
Milwaukee	3,792,000
Detroit	4,914,000
New Orleans	4,164,000

The difference between the aggregate corporate revenues and the aggregate general or ordinary revenues is less in Washington than in any other city of its class, owing to the fact that the United States pays one-half the estimated expenses allowed by Congress.

RÉSUMÉ—EXPENDITURE.

It has already been shown by me that the expenses for nearly all municipal purposes are greater in Washington than in cities of larger size. This is emphasized by extracts from Bulletin No. 20, as shown in the following tables:

Statement of expenditures by cities for municipal purposes.

1. GENERAL ADMINISTRATION.

City.	Expenditure.	Per capita.
Washington	$265,303	$0.91
Baltimore	477,222	.90
Cleveland	264,589	.64
Pittsburg	311,873	.90
Cincinnati	302,717	.91
Milwaukee	233,151	.74

2. COURTS.

Washington	$154,102	$0.53
Baltimore	244,298	.46
Cleveland	37,090	.09
Buffalo	25,012	.07
San Francisco	164,140	.46
Cincinnati	42,816	.13
Detroit	37,411	.12
New Orleans	144,210	.48

Statement of expenditures by cities for municipal purposes—Continued.

3. POLICE DEPARTMENT.

City.	Expenditure.	Per capita.
Washington	$859,218	$2.93
Baltimore	1,010,739	1.90
Cleveland	530,519	1.28
Buffalo	827,398	2.17
San Francisco	993,892	2.79
Pittsburg	604,903	1.75
Cincinnati	619,045	1.86
Milwaukee	348,501	1.11
Detroit	583,940	1.89
New Orleans	237,252	.79

4. FIRE DEPARTMENT.[a]

Washington	$359,897	$1.23
Baltimore	533,790	1.00
Cleveland	611,751	1.47
Pittsburg	544,192	1.58
Cincinnati	619,045	1.86
Milwaukee	462,061	1.48
Detroit	587,090	1.90

5. HEALTH DEPARTMENT.[b]

Washington	$67,697	$0.23
Baltimore	95,822	.18
Cleveland	75,982	.18
Buffalo	36,682	.10
Milwaukee	52,895	.17
Cincinnati	53,157	.16
Detroit	50,932	.16
New Orleans	56,380	.19

6. PUBLIC CHARITIES AND CORRECTIONS.

Washington	$988,230	$3.37
Chicago	300,262	.16
New York	6,277,065	1.69
Philadelphia	1,300,051	.95
St. Louis	661,079	1.08
Boston	1,844,670	3.10
Baltimore	472,000	.89
Cleveland	230,112	.55
Buffalo	126,421	.33
San Francisco	413,630	1.16
Pittsburg	154,539	.45

7. HIGHWAYS.[c]

Washington	$1,001,298	$3.41
Baltimore	638,294	1.20
Cleveland	682,234	1.64
Buffalo	647,753	1.70
San Francisco	616,860	1.73
Pittsburg	718,302	2.08
Cincinnati	528,888	1.50
Milwaukee	627,061	2.00
Detroit	265,597	.86

8. SANITATION.

Washington	$474,061	$1.62
Baltimore	391,281	.74
Cleveland	320,475	.77
Buffalo	344,171	.90
Pittsburg	422,251	1.22
Cincinnati	344,089	1.03
New Orleans	262,703	.87
Detroit	257,769	.83

9. PUBLIC RECREATION.

Washington	$139,926	$0.48
Cleveland	120,250	.29
Pittsburg	114,698	.33
Cincinnati	46,414	.14
Milwaukee	70,223	.22
New Orleans	38,189	.13

10. SCHOOLS.

City.	Aggregate.	Per capita.	Teachers.	Per capita.
Washington	$1,600,371	$5.76	$965,995	$3.29
Baltimore	1,848,778	3.48	1,048,840	1.98
Buffalo	1,651,403	4.33	925,636	2.43
San Francisco	1,333,398	3.74	1,021,997	2.87
Pittsburg	1,737,156	5.04	772,317	2.24
Cincinnati	1,159,293	3.46	886,284	2.66
Milwaukee	1,079,738	3.45	644,476	2.06
Detroit	1,098,632	3.55	765,141	2.47

[a] This department asks less by way of appropriations than any one in the District, and seems to be the only one not dominated by extravagance.

[b] This department is out of all proportion in expenditure.

[c] The expenditure for highways in the District of Columbia is not justified by any principle of municipal authority.

Besides this, Washington pays a higher per capita for the aggregate of schools than any other city of the same or greater size, except New York and Boston.

She also pays a higher per capita for teachers than Chicago, Philadelphia, St. Louis, Baltimore, and Cleveland.

City.	All other expenses.	Per capita.
Washington	$415,116	$1.42
Buffalo	400,936	1.05
San Francisco	288,003	.73
Cincinnati	211,388	.64
Milwaukee	192,281	.61
Detroit	259,822	.84

Besides paying a higher per capita than any city of greater size except New York, Boston, Cleveland, and Pittsburg, library expenses are greater than in St. Louis, Baltimore, Cleveland, Buffalo, San Francisco, Milwaukee, and Detriot, without the material or the facilities of these cities.

Thus, in nearly every respect the expenses of Washington are greater than those of larger cities equally well governed. Such a condition is unfortunate and seems to demand the remedial arm of legislative curtailment.

The Free-Alcohol Bill.

A means of convenience, comfort, and profit to the whole American people.

REMARKS

OF

HON. WILLIAM B. McKINLEY,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, April 16, 1906,

On the bill (H. R. 17453) for the withdrawal from bond, tax free, of domestic alcohol when rendered unfit for beverage or liquid medicinal uses by mixture with suitable denaturizing materials.

Mr. McKINLEY of Illinois said:

Mr. SPEAKER: In trespassing upon the time of the House, I avail myself of the opportunity to voice the hope of my constituents that the House will adopt this measure without a dissenting vote. There is no question of the popular demand for the bill. The people are pronouncedly for it. The newspapers are urging its passage, and the distinguished committee of the House, after exhaustive consideration of the subject, has reported it favorably. Whatever opposition there is, while not in all cases inspired by special interests, is of such a character that the House can not at this time well afford to give heed to it.

The more I have studied the bill the more I am impressed with its importance. It proposes substantially to remove the tax on alcohol used in the arts and industries, when rendered unfit for beverage or liquid medicinal purposes by being mixed with suitable denaturizing materials in the presence and under the direction of an official of the Government selected for that purpose. To do this will be to do what every other civilized government has already done. It is a means of providing an economical fuel, light, and power for industrial uses. It will be the realization of legislation vainly sought for years. As far back as 1888 the platform of the Republican party declared for the removal of the tax on this commodity. One of the arguments against this bill is that it is an entering wedge to a reduction of revenue by tariff changes. While the people of the section of the country from which I come want no tariff changes that will affect the present unparalleled prosperity, nevertheless they are willing to see certain revisions, such as will be brought about by this bill. It is perhaps the first step toward anything like tariff revision by the present House. As such, it deserves the most careful scrutiny, for the tariff fabric of our country is so complex, so many-sided, so complicated, so interwoven as to make necessary the exercise of the greatest wisdom in attempting any reduction of the revenue, as this bill obviously will do. This bill does not, however, remove the customs duty on alcohol, but simply abolishes the internal-revenue tax thereon.

In the enactment of any legislation of this character the Congress must consider, first, what will be the moral effect; second, will the proposed law interfere with the revenues of the Government to the extent that it will embarrass proper governmental expenditure? The third point to consider is whether it will be a source of additional production of revenue to the people by bringing to the market undeveloped resources and whether it will create new industries.

When, a few years ago, the question of abolishing the very heavy tax of $1.10 per wine gallon upon alcohol was first suggested, the objection was at once raised that the unlimited production of alcohol would involve increased intemperance while it would also materially reduce the amount of internal revenue collected from alcohol. An investigation of the situation then created brought out the fact that by the addition of 2½ to 10 per cent of wood alcohol all opportunity to use the product as a beverage was done away with. This bill does not remove the tax which we, like every other advanced nation, impose on whisky and spirits. On the contrary, it specifically provides that the alcohol shall first be rendered unfit for beverage or like uses under govermental supervision before it can be withdrawn from bond free of tax. The temperance people throughout the country heartily indorse the movement. Such a strong Prohibition leader as John G. Woolley in his newspaper says:

Suppress the improper use of alcohol and promote its use in the arts and industries.

Although the country is enjoying unexampled prosperity, there is no justification for the reduction of its revenues unless the result thereby obtained is the greatest good for the greatest number. That is the final test which every measure of this kind must meet. While in some parts of the country certain special interests may be injured, an honest investigation of the conditions which gave birth to this measure will demonstrate that it means cheaper light, cheaper fuel, and cheaper power. It means results which in the very sequence of industrial progression must operate to the benefit of the people, directly or indirectly, not in particular sections, but all over the country.

Within the last year, probably with the characteristic good fortune of the present Administration, our revenues have improved beyond our most sanguine expectation. We now have a surplus of over a million to draw on as against a deficit of twenty-five millions last year. Just how much this measure will reduce the revenues no one seems to be able to tell exactly. The Secretary of the Treasury, himself a strong advocate of the bill, is willing only to venture a guess. He has gone so far, however, as to intimate that even if this bill reduced the revenue by any such sum as $10,000,000 we could now stand it.

It is not probable, Mr. Speaker, that such a reduction will be caused. On the contrary, there will hardly be any appreciable loss of revenue, as owing to the present prohibitory tax we get comparatively no revenue from this commodity for mechanical or similar uses. We have been using alcohol for light and industrial purposes since 1860, and yet all along we have restricted its use for many legitimate purposes by taxation. Statistics show that, on account of this excessive taxation, practically no grain alcohol is being used in our industries, and that, where Germany distills 100,000,000 gallons per year for strictly industrial purposes, we only produce about one or two million gallons for the same purpose. The removal of this tax is demanded by the farmer as well as the manufacturer, the laborer as well as the artisan, because it increases the efficiency and utility of a great and new economic medium. Many articles are imported from abroad because they can be made cheaper there with the use of untaxed alcohol than we can make them in this country. These articles include artificial silks made from cotton, aniline colors and dyes, celluloid, transparent soap, incandescent mantles, chemicals, and others, all of which can be produced here as cheaply as abroad if this bill passes. The number of uses to which untaxed alcohol may be put is surprisingly large. It can be used in the making of powder, also as a substitute for gasoline in stoves and motors, as fuel for the operation of machinery and particularly farming machinery, for pumping water, thrashing grain, and in connection with many uses of stationary power on the farm. It can be utilized in the making of electrical apparatus, furniture of all kinds, passenger cars, pianos, wagons, boots and shoes, various kind of metal work, and in all kinds of manufactures, arts, and sciences. Since the discovery of incandescent mantles, which are also made by use of this alcohol, it is found that 1 gallon of alcohol will produce as much light as 2 gallons of kerosene, and a gallon of alcohol will produce 10 per cent more power than the same amount of gasoline; besides, it is much safer and cleaner. Therefore the bringing of this product into the market can not help but reduce the price of the trust-controlled petroleum products.

But, Mr. Speaker, the best feature of this bill is that in the proper course of industrial development it will assure an enlarged market for the farmer. The alcohol contained in grains and starch vegetables now largely goes to waste. The passage of this bill will open a new market of untold value for the grain products of central Illinois. And that, of course, Mr. Speaker, is

another reason why I am so heartily in favor of it. Potatoes, sorghum molasses, corn, and the stalks of corn contain an undeveloped the large supply to be used for the profit of the American farmer. Two and a half gallons of alcohol are produced from a bushel of corn, and it is estimateed that 100 gallons can be distilled from each acre of cornstalks. Cornstalks now sell in the field for 50 cents per acre. If this product now selling for 50 cents per acre can be manufactured into 100 gallons of alcohol, to be sold at $20 per acre, the advantage to the farmer is large indeed.

I agree with the gentleman from Kansas [Mr. CALDERHEAD], when he so aptly says:

Every new use that can be made of any farm product is better for them than any legislation for the purpose of protecting—for instance, the protective tariff.

I submit, therefore, Mr. Speaker, that this House should not hesitate to give encouragement to any agricultural industry so comprehensive in character and scope as that which this measure will create. I do not claim that it will bring about all the extravagant results some gentlemen have predicted, but I do believe it will open up new opportunities to the farmers and workingmen of the country.

Even admitting that the benefits to be derived from this measure are uncertain, I believe that any practical legislation, conceived in common sense, enacted after honest deliberation, for the benefit of the American farmer is at least worthy of a fair trial. His patriotic impulse would be the first to discover the failure of any experiment, and he will be prompt to tell us.

Mr. Speaker, the two great units in American civilization are the farmer and the workingman. Let us give them every chance to widen their opportunities and improve their condition. We have already given the farmer rural free delivery. We are giving him cheaper and quicker railroad facilities. The railroad rate bill, which this House so promptly passed, will insure better and fairer transportation. Now let us give him a means to cheapen light, fuel, and power, and in the doing so create new markets for his products and at the same time benefit the condition of the workingman. The Congress can not too carefully conserve the interests of these two great factors in our national life. [Applause.]

Liability of Employers.

No railroad company should be permitted to take advantage of its own negligence and defend the results thereof by pointing out that its employee did, or failed to do, something which a prudent man would not have done, when the thing done or omitted was in effect the result of the coercive policy of the company.

SPEECH

OF

HON. WILLIAM H. RYAN,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Monday, April 2, 1906,

On the bill (H. R. 239) relating to liability of common carriers by railroads to their employees.

Mr. RYAN said:

Mr. SPEAKER: This bill, known as the "employers' liability bill," is intended to modify the common-law rules with reference to the liability of common carriers engaged in interstate commerce to their employees for personal injuries.

The provisions of the bill meet a widespread demand for legislation. Railroads are operated in every State and Territory of the United States, and over nearly every mile of line is carried traffic which is subject to the regulating power of the Congress. The men and the carriers engaged in moving traffic in nearly every case handle interstate commerce. Under the Constitution the power is given to Congress "to regulate commerce with foreign nations and among the several States and with the Indian tribes." As the law now is in the various States and Territories there is no uniformity. Under given circumstances an injured employee may recover in one State or Territory, while under the same circumstances in another jurisdiction he would be unable to recover damages. It is to meet this condition that the Congress is asked to pass this bill.

This measure is strongly urged by the railroad employees' organizations of the United States. There are at present employed by the different railroad companies of this country over one and one-quarter millions of men, and this bill is one in which all of them are greatly interested. I have received, and presented to this House, from all the railroad lodges in Buffalo, the city I have the honor, in part, to represent on this floor, petitions and resolutions favoring the enactment of this bill.

There should be no question of the constitutionality of this bill or its application. It applies to every case where the employee or the carrier was at the time engaged in the movement of interstate traffic. Any employee injured will have the right of recovery if the carrier be engaged in the movement of interstate commerce.

The United States Supreme Court has declared that—

In the matter of interstate commerce the United States are but one country, and are and must be subject to one system of regulations and not a multitude of systems.

Justice Brewer, in the class of cases legislated upon in the present bill, has stated the principles involved very concisely:

Commerce between the States—

he said—

is a matter of national regulation, and to establish it as such was one of the principal causes which led to the adoption of our Constitution. To-day the volume of interstate commerce far exceeds the anticipation of those who framed this Constitution, and the main channels through which the interstate commerce passes are the railroads of the country. Congress has legislated in respect to this commerce not merely by the interstate-commerce act and its amendment (24 Stat., 379, ch. 104), but also by an act passed at the last session, requiring the use of automatic couplers on freight cars. (Public Acts, Fifty-second Congress, second session, ch. 113.) The lines of this very plaintiff in error extends into half a dozen or more States, and its trains are largely employed in interstate commerce. As it passes from State to State, must the rights, obligations, and duties subsisting between it and its employees change at every State line? If to a train running from Baltimore to Chicago it should, within the limits of the State of Ohio, attach a car for a distance only within that State, ought the law controlling the relation of a brakeman on that car to the company be different from that subsisting between the brakeman on the through cars and the company? * * * It is obvious that the relations between the company and employee are not in any sense of the term local in character, but one of a general nature.

DOCTRINE OF FELLOW SERVANT.

This bill in the first section abolishes the doctrine of fellow-servant, and provides, in case of an employee's injury or death, the railroad shall be liable for damages, notwithstanding it may be caused by the negligence of a coemployee.

The provisions of this section will be most potent in establishing and preserving a uniform law covering the rights and liabilities of carriers and their employees whenever the carriers are engaged in interstate commerce. The brakeman and switchman in Maine will have no greater nor more restricted right to recover for injuries than will the same classes of employees in North Carolina and California. The laws of every State, whether judge-made or statute, will have to give way to the law of Congress.

The second section of the bill changes the common-law doctrine of contributory negligence. In a large number of jurisdictions, including the State of New York, wherever an employee has been guilty of the slightest negligence he is barred from recovery, no matter how much the carrier may have been negligent. In some courts this doctrine is carried to such an extreme that an employee injured in the discharge of his duty has been held, as a matter of law, to be guilty of contributory negligence for the reason that if he had not placed himself within reach of danger he would not have been injured; as, for example, a railroad company hauling a car with a defective coupler, to operate which an employee must go between the cars. It has been held that by going between the cars to lift the pin by hand the employee has failed to use proper care, that the failure to use such care constitutes contributory negligence, and that no recovery can be had. It is to meet such holdings as these that we are enacting the proposed law.

There can be no recovery under this bill by an injured employee where his negligence has been other than slight and the carrier's negligence has been comparatively gross. These matters are to be determined by the jury from the evidence. The damages are to be diminished as the injured employee was careless. They are to be increased as the carrier was negligent. In other words, in proportion as the one or the other was the more to blame for the accident so are the damages to be apportioned. It is a principle in the rules governing cases in admiralty that the one most in fault must bear the greater portion of the burden if the accident results from the negligence of both.

As a matter of justice, as a matter of equity, aye, of right, where a carrier, as a result of his negligence, has endangered the life or limb of its employee, it should be made to recompense such employee if he is injured as a consequence of the carrier's negligence.

It may be said that the employee should not have undertaken to use the defective appliance, still it must always be remembered that a failure to perform the work for which the employee was engaged is sufficient cause for prompt dismissal.

More often than otherwise the employee has a family dependent upon him. For every position in railroad services there are many applicants. If the present employee will not undertake the danger another is waiting for the job who will undertake the risk. No railroad company should be permitted to take advantage of its own negligence and defend the results thereof by pointing out that its employee did, or failed to do, something which a prudent man would not have done, when the thing done or omitted was in effect the result of the coercive policy of the company.

RELIEF FUND OR DEATH WARRANT.

The third section of the bill has the effect of practically nullifying the contracts of employment or relief fund, by some railroad employees called the "death warrant," that is very generally used by the railroad officials in this country. Men seeking employment as engineers, switchmen, trainmen, firemen, or in any capacity are usually required to sign this contract, discharging the company from liability for personal injuries. The form of contract used by the relief departments of the railroads to insure the employee discharges the company from any possible liability for personal injury to the employee. This release, arbitrarily exacted from the employee, should and will be abrogated by this legislation.

The last section of the bill provides that the existing safety-appliance laws shall not be affected by the bill under consideration. It should be borne in mind that section 8 of the safety-appliance act abolishes the doctrine of assumption of risk wherever the employee was injured while handling a car or train which was not equipped or operated as required by that act. Prior to the passage of the safety-appliance act the commonest defense of negligent carriers was that the employee knew of the defect, and as it was a dangerous and hazardous occupation the risk was one incident to his employment, and any injury consequent thereto was one for which the carrier was not liable. To meet such an unjust situation the safety-appliance statute abolished that defense.

It is well-recognized law that the violation of a statute is negligence per se, or at least evidence of negligence per se. After the passage of the safety-appliance act there crept into the rulings of the courts an enlarged doctrine of contributory negligence, and while this defense had always existed, it had been restricted in its application; but as a defense for negligent carriers this defense or doctrine has been largely extended, in some cases to such extent that an employee injured is without recourse, as one court put it, because "he let his head get caught."

It is to protect the injured employee in such cases that this legislation is proposed. The movement of trains and the carriage of traffic from one portion of this country to another is an occupation which involves strength of mind and body. No other occupation is so attended with risks of great bodily injuries. The men engaged in this service are entitled to every safeguard which can be thrown around them. Enact this law and there is an added incentive to compel the carrier to be more careful, and to have a more rigid inspection service; that its cars, engines, appliances, machinery, tracks, roadbeds, ways, and works be kept in the best possible condition. Not only will this statute have its good effect upon railroad employees, but it will have a wider effect in that the safety of the public will be better protected.

POSITION OF RAILROAD EMPLOYEES.

In the hearings on this bill before the Committee on the Judiciary the position of the railroad employees and the necessity for the enactment of this bill were very clearly presented by Mr. H. R. Fuller, representing the different railroad organizations. Mr. Fuller in part said:

The doctrine of contributory negligence, as applied by some of our courts, works great injustice to the employee, for the reason that no matter how grossly negligent the master may be, if the servant is in the slightest degree negligent he is debarred from recovery, and is therefore made to bear not only the burden of his own slight negligence, but also the burden of the master's gross negligence, thus permitting the master to go scot-free and not answer in the slightest degree for his gross negligence.

It is not our desire to ask that an employee be paid for an injury that he alone is responsible for, but we do think gross negligence is worse than slight negligence, and the person guilty thereof should not be released from answering therefor simply because some one else is guilty of slight negligence.

We believe such a rule has a tendency to make the master less vigilant regarding the safety of his servants.

Some of the arguments against the fellow-servant doctrine can be applied with as much force against the doctrine of contributory negligence.

The duties of an ordinary railroad employee are so exacting that he must work with both his head and hands, and many times when called upon to perform such duties his whole being is so absorbed and taken up with his work that he is liable to a slight degree to contribute to his own injury, but would not have done so had the master not been grossly negligent.

For example, let us say a railroad company stretches a wire across the track and it is not high enough to clear a man on the top of a box car; the company posts a bulletin on a bulletin board at a terminal 75 miles from the wire, in which the men are notified of the location of this wire. The brakeman starts out on his train, and about the time the train arrives at the place where the wire is stretched the engineer through the darkness sees the rear end of another train on the track a short distance ahead of him; he sounds the whistle for the brakeman to apply the brakes, the brakeman responds by climbing to the top of the train, and seeing the danger ahead his whole mind is taken up with the thought of stopping his train, and he speeds over the train in the darkness, applying the brakes, the thought of the overhead wire having been thoroughly removed from his mind for the time being, and it strikes him and he is thrown beneath the cars and injured. If I mistake not, some of our courts would hold that he could not recover for the reason that he had been notified of the whereabouts of the wire, and he contributed to his own injury by exposing himself to it, this, too, in the face of the fact that the company was grossly negligent by not providing longer poles upon which to string this wire.

Now, another case: We will say that a switch stand is too close to the track; it has been there for a long time and the train men know of the danger; but suddenly in the dark of night there is a call for brakes, and the brakeman swings out on the ladder on the outside of the car for the purpose of climbing to the top to apply the brakes, and this switch stand strikes him. I venture the assertion that some judges would say that he was guilty of contributory negligence, as he knew of the location of this switch stand and therefore was in a position to guard against it, regardless of the fact that the company was guilty of gross negligence in placing the switch stand so close to the track.

Another case in point is that of Schlemmer *v.* Buffalo, Rochester and Pittsburg Railroad Company (207 Pa., 198). The evidence shows that the company was transporting a steam-shovel car from the State of New York to a point in the State of Pennsylvania. The drawbar upon this steam-shovel car was of the old link-and-pin type, which was in violation of the national safety-appliance law. It was also much lower than the drawbar on the caboose to which it was to be coupled, which was also a violation of that law. This drawbar was also under the car about 2 feet from the end. Schlemmer, a brakeman, was ordered by his conductor to couple this steam-shovel car to the caboose, and in order to do this he had to stoop down and contract himself to about one-half his natural height, and in this position, at about 9 o'clock at night, with lamp in hand, he had to walk along under this steam-shovel car while it was moving, watch to see that he was not run down from behind by the wheels, and guide a long iron coupling bar, weighing 80 pounds, which was fastened in the drawbar on the steam-shovel car, into a slot only 2 inches wide in the automatic coupler on the caboose. He missed the coupling, and happened to raise his head a little too high, and the top of it was crushed between the steam-shovel car and the caboose, killing him instantly. His widow sought to recover damages, and the trial court held that he was guilty of contributory negligence in not keeping his head down, and withheld the case from the jury, and this decision was affirmed by the supreme court of the State of Pennsylvania.

Here was a case where the employer was grossly negligent and was also violating an act of Congress, yet because the poor brakeman, while laboring under these extraordinary disadvantages, happened to raise his head a little too high the employer is released from liability.

CASUALTIES TO TRAINMEN.

According to the report of the Interstate Commerce Commission for the year ending June 30, 1904, there were 2,114 train men killed and 29,275 injured on the railroads of the United States—men who were injured in the transportation of interstate commerce over which this Congress and this committee have absolute control. This report also shows that for every 120 men employed 1 was killed, and for every 9 employed 1 was injured.

In the report of the Interstate Commerce Commission for the year ending June 30, 1905, the following table shows casualties to employees of railroads in the United States:

	Killed.	Injured.
In train accidents	798	7,052
In coupling accidents	243	3,110
Overhead obstructions, etc	92	1,185
Falling from cars, etc	633	9,257
Other causes	1,495	24,842
Total	3,261	45,426

Mr. Chairman, there are more men killed on the railroads in one year than there were in some of the greatest battles that were ever fought for the honor of this country, and I say to you there is no class of men who are more loyal to the Government of the United States than the railroad men of this country.

We think that if the railroads were held to a strict accountability for the loss of life and limb of their employees the number of injured and killed would be diminished.

Mr. Samuel Gompers, president of the American Federation of Labor, before the Committee on the Judiciary, said:

Let me say this in connection with the principle of the bill: Neither the men on the roads nor the men who are making application for employment on the roads want the employers' money for damages for injury. They do not want the employers' money to go to the families of injured or killed workmen. But what we want is that the penalizing of these employers shall be sufficient warranty for them to take that precaution for the protection of life and limb; and wherever there has been any law upon the statute books that has tended toward this species of legislation, it has resulted not so much in mulcting the employers in damages as it has in a marked decrease of accidents and deaths.

As Judge Caldwell said in the case of Kilpatrick *v.* Choctaw, Oklahoma and Gulf Railroad Company (121 Fed. Rep., p. 161):

Whenever it is made to appear to a railroad company that it costs more to pay the damages assessed against it by the verdicts of juries for maintaining a dangerous condition of its tracks or appliances than it would cost to substitute safe ones in their place, the substitution is quickly made. But as long as courts hold as a matter of law that what the witnesses in this case declared to be "simply a death trap" may be maintained with impunity and without incurring any pecuniary liability, the death trap will remain and the slaughter go on.

The enactment of this measure into law will bring the railroads to a realization of the necessity of exercising every means within their power to protect the lives and limbs of their employees and passengers.

Where heretofore railroad companies have, in defiance of statutes or in defiance of the regards of humanity, kept, maintained, and operated cars and trains in a defective condition over unsafe roadbeds, or operated their trains with unskilled and careless employees, without being required to compensate employees injured through the neglect of the carriers, they now will be compelled to exercise the greatest care in operating their roads and maintaining their equipment or else pay the damage occasioned by their negligent acts. [Applause.]

Tax-Free Alcohol for Use in the Arts and Industries.

SPEECH

OF

HON. D. L. D. GRANGER,

OF RHODE ISLAND,

IN THE HOUSE OF REPRESENTATIVES,

Monday, April 16, 1906,

On the bill (H. R. 17453) for the withdrawal from bond, tax free, of domestic alcohol when rendered unfit for beverage or liquid medicinal uses by mixture with suitable denaturing materials.

Mr. GRANGER said:

Mr. SPEAKER: The object of this bill is to permit the withdrawal from bond, tax free, of alcohol manufactured in the United States after the same shall have been mixed with some material rendering it unfit to drink. The result of this process is popularly known as "denatured alcohol."

The bill was most carefully considered by the Committee on Ways and Means, and is reported back with a favorable recommendation. The committee held a long series of hearings, at which a great mass of testimony was elicited, showing a large demand for denatured alcohol, the great possibilities of its use, and the vast amount which it was claimed it was possible to produce. Testimony also was presented as to the dangerous effect of wood alcohol, the product of which, as the result of the high tax upon pure alcohol, is attempting to fill the place of grain alcohol in the arts and industries.

ADVANTAGE OF NATURAL RESOURCES.

It was shown that the United States is better fitted, as a great corn-producing country, for the cheap production of grain alcohol than any other nation; that up to 1861, when the internal-revenue tax was first imposed on distilled spirits in the United States, the use of alcohol industrially exceeded that of every other country, but that at the present time, as the result of the removal of this tax by all other civilized countries, the United States stands at the foot of the list of those thus using alcohol. It is difficult to estimate the exact amount of grain alcohol used for industrial purposes in this country, but David A. Wells, formerly special commissioner of the revenue, estimated it in 1861 at more than 30,000,000 gallons. It is to-day estimated at less than 5,000,000. With a per capita consumption equal to that of 1860, we should now be using for industrial purposes 80,000,000 gallons annually, even if the number of articles in which alcohol can be used had not greatly increased since 1861; but taking into account, sir, the tremendous increased use of alcohol industrially in all the other civilized countries of the world, it is evident that an estimated use of 80,000,000 gallons per annum to-day, if tax free, is far too small.

REMOVAL OF TAX BY FOREIGN COUNTRIES.

I have spoken, Mr. Speaker, of the action of foreign countries in removing this tax from grain alcohol when denatured. I should like to insert here briefly some figures produced before the committee by competent authorities as to the increased consumption of this article in foreign countries—countries, it need be borne in mind, not as well supplied with the natural resources from which alcohol is produced as is our country. Let us take Germany. The German consumption of tax-free alcohol has increased over 50 per cent. Its use in 1899 was 55,300,000 proof gallons and in 1903, 73,635,000. According to the testimony of Professor Van Schelle (hearings, p. 325) the use of denatured alcohol in Germany for traction, lighting, and heating rose from 7,920,000 proof gallons in 1885 to 63,560,000 gallons in 1902, an increase of about 800 per cent. "With the advantage of comparatively low-priced material the industries requiring alcohol have been so extensively developed that in many important lines Germany now controls the world's trade. Among these articles are the products of the great chemical industries, the coal-tar colors, lacquers, dyes, varnishes, etc. Not only does Germany practically control the trade of neutral markets in all the various chemical products, but she also sells large quantities of these articles in this country, the advantage resulting from cheap alcohol being sufficient to enable them to be sold here in spite of our protective tariff. (Cheap alcohol, please notice, Mr. Speaker, and not cheap labor.) The effect of our exorbitant internal-revenue tax on alcohol has therefore been to encourage the sale in this country of foreign products." (Moody's Magazine, January, 1906.)

The tax was removed in Belgium in 1896 and the use of the free product has grown from 250,000 proof gallons to 1,874,758 gallons in 1902. It is used for motors and agricultural machinery, for heating and cooking, for soldering lamps, and as a substitute for kerosene.

In Russia the consumption has increased from 6,864,000 proof gallons in 1880 to 52,800,000 in 1902.

PRODUCTS FROM WHICH ALCOHOL CAN BE PRODUCED.

It is, of course, well known that alcohol is found almost everywhere and is easily extracted from beets, sugar cane, molasses, grape pulp, fruit, potatoes, rice, sorghum, corn, and the residuum of the brewery. In fact, we have, if one-half of the estimates brought before the committee are true, at the home of the average American farmer an unused source of industrial wealth which, if used, will effect an industrial revolution.

We have a reputation among the nations of the world as being "smart," as letting no opportunity go by to develop and make use of the gifts nature has so lavishly bestowed upon us, and yet here for years we have laid a tax upon the fruit of the soil practically prohibitive.

PLEA FOR GENERAL TARIFF REVISION.

If the Republican party, which prides itself on its record in building up the industries of the country and takes to itself the credit for the results of seedtime and harvest and the rich treasures God has placed in the bosom of the earth, had given one-thousandth part of the time it has devoted to the development of a tariff system of taxation for the benefit of the few to a study of what might be done for the many by freeing them from a stupid and ineffective tax, the United States would not to-day be lagging behind Europe in using a great source of wealth at the door of every farmer in the land.

REMOVAL OF TAX ON ALCOHOL AN OBJECT LESSON.

Mr. Speaker, if the Committee on Ways and Means had desired to present an object lesson to the House and to the country of the need of a thorough revision of the revenue laws, they could not have chosen a better one than the tax which, having been for more than forty years upon our statute books, they now propose to repeal. A tax originally imposed to raise revenue in time of war, it has remained unchanged during changed conditions, blocking the wheels of progress, checking the efforts of invention, robbing the farmer of an opportunity to use a great part of the fruit of his toil, and compelling the industries of our country to use as a substitute for a cheap and harmless product an expensive and dangerous commodity; one, Mr. Speaker, not only dangerous to every mechanic using it, but frequently deadly in its effects and produced only at the expense of the further destruction of the forests of the country.

At various times bills have been introduced into Congress for the relief of the people by the removal of this burden, only to be buried in the oblivion of the archives of the committee. It has been left to a self-constituted committee of citizens to arouse the dormant interest of the Committee on Ways and Means of this House by an appeal to the country, with the result that as soon as it became known to the people that they were being taxed for the benefit of a few they made their wishes known in such a manner that the matter could no longer be ignored. They were heard, as I believe, Mr. Speaker, they always will be heard when once convinced of their wrongs.

ANSWER TO OBJECTIONS.

Now, Mr. Speaker, what arguments were brought before the committee against this measure? They were two: First, the supposed loss of revenue, and, second, the destruction of the wood-alcohol industry.

An examination into the first objection showed that no one could state positively the loss of revenue, as the Government does not attempt to follow the use of grain alcohol after the tax is paid, and there was no way of exactly estimating how much is now used in the arts and industries. Bearing in mind, however, the large increased use of wood alcohol and the failure of the United States to participate in the uses made of grain alcohol in other countries during the past decade, it is thought by the Secretary of the Treasury that the amount received is not over $10,000,000 per annum, and many experts placed it as low as $1,000,000; but it was admitted by Secretary Shaw that

even if the tax now paid is $10,000,000 a year, it is a bagatelle compared with the benefits to be derived from the removal of the tax. Economically it is admitted the tax on alcohol used for industrial purposes is a failure.

In behalf of the wood-alcohol industry a number of gentlemen appeared before the committee, and I want to say, Mr. Speaker, that, granting their premises, I have never heard a better argument for protection. Here is an industry which, under the fostering care of the Government, has been built up. From a small beginning it has grown until its product is now 7,500,000 gallons per annum; some $20,000,000 is said to be invested in it, and over 20,000 men employed. To be sure, this has been done by taxing out of existence, by a tax of 207 per cent, the natural industry, the natural product of grain, or pure alcohol, but then that is the case in many instances of protected industries, and why should they not be allowed to continue to enjoy the fruit of their labor at the expense of the rest of the people? If it is right to tax the whole American people for the benefit of the beef trust and the steel trust and the tin trust and the watch trust, why not for the wood-alcohol trust?

EVILS OF PROTECTION.

One of the greatest evils of protection is the aftermath that always follows its enactment into law. Favored industries intrench themselves behind the doctrine of vested rights and boldly demand a perpetuity in taxation.

The wood-alcohol business is making this claim now, and other industries will be heard from when we approach the more serious problem of tariff reduction in the interests of the people.

The wood-alcohol men claim that we are morally bound to continue the tax on all grain alcohol because its abolition will ruin their business. It is not clear, however, that tax-free denatured alcohol will injure them at all. If we are to expand the use of tax-free alcohol to the limits of German use, all the wood-alcohol product will find a market as a denaturizing agent. The German product is about 73,000,000 gallons, and as 10 per cent wood alcohol will denaturize a gallon of grain alcohol all the present wood-alcohol supply will be used in the new industry.

Even at the expense of the ruin of their business, this legislation is right. There is no warrant in morals or law for the doctrine of estoppel in a government reduction of taxes. All taxes are levied at the will of government and may be removed at pleasure. All industries fostered by particular laws have notice everywhere that these laws are not passed in perpetuity.

PUBLIC DEMAND FOR TARIFF REVISION INEVITABLE.

When the people demand a change, as they are demanding it now, the change will be made irrespective of the appeals and demands of any interest affected thereby. And the people not only demand this reduction, but they are demanding other reductions in the customs laws.

It will be found, I believe, sir, that an honest investigation of the present tariff schedules will show many instances where the interests of the people have been sacrificed, as they are in this case, to the benefit of a few. It needs but to be examined into fearlessly, without regarding the interest of any class, but rather of the whole people in view, for the Dingley tariff wall to crumble to pieces as did the walls of Jericho of old. The trumpet will be the voices of the people demanding it as of right, and it will come, and no vested interest, however great, will keep it back.

The Free-Alcohol Bill.

SPEECH

OF

HON. CHARLES R. DAVIS,

OF MINNESOTA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, April 16, 1906,

On the bill (H. R. 17453) for the withdrawal from bond, tax free, of domestic alcohol when rendered unfit for beverage or liquid medicinal uses by mixture with suitable denaturing materials.

Mr. DAVIS of Minnesota said:

Mr. SPEAKER: In the brief time allotted to me I desire to make a few remarks setting forth some of the reasons which actuate me in favoring the bill under discussion. This question has been under consideration and has received considerable attention at the hands of Congress for several years, and has been carefully considered from the point of view of all interested parties. As far back as 1897 a commission inquired into the matter and went into the subject very fully. The hearings before the Committee on Ways and Means during the present session have been thorough and exhaustive.

The object of the bill, in brief, is to remove the tax from alcohol which has been denaturized, so as to render it unfit for and destroy its quality as a beverage, or to be used in liquid medicine, and thus provide an alcohol to use for manufacturing, lighting, heating, and power purposes. The wood-alcohol interests of the country have opposed the pending measure on the grounds that this legislation would have a harmful effect on their business. This industry has been ably represented during the discussion of the bill before the Committee on Ways and Means, but I am unable to see that the arguments advanced in opposition to the bill are entirely convincing or of sufficient weight to cause Congress to act adversely. Neither is it apparent to me, as has been argued by the gentleman from Michigan, that the wood-alcohol industry would be irreparably ruined by the enactment of this bill into law. Assuming that it will be temporarily affected to some slight disadvantage, I do not hold this to be a sufficient reason for preventing legislation which is generally demanded by the people, and especially by the agricultural communities, which, in my opinion, will in time be benefited. According to the written statement of Mr. Henry J. Pierce, submitted to the Committee on Ways and Means in the interests of the wood-alcohol industry, those who ask for tax-free alcohol in the form of denaturized spirit are seeking to secure profit for a comparatively limited number of people, and their plea is, therefore, purely selfish. To this statement I desire to take emphatic issue, and it seems to me that the opponents of this bill are the ones actuated from selfish motives, since, from Mr. Pierce's own statement, only a few thousands might be adversely affected, while, on the other hand, it is conclusively shown that in time a large portion of the people of the United States would be materially benefited by the proposed legislation.

In nearly every country except the United States the tax on denaturized alcohol has been removed. The experience of Germany in this regard is interesting, and to my mind ample proof that this country could profitably follow her example by providing for the people a tax-free alcohol. In Germany alcohol is gradually coming into use for industrial purposes and in some instances becoming a substitute for gasoline and kerosene. In 1896 the Belgian Government removed the tax on denaturized alcohol for technical purposes. The increase in its use in Belgium rose from 126,658 gallons in 1896 to 924,421 gallons in 1902. In other words, there were used in Belgium seven times as much denaturized alcohol in 1902 as in 1896. The increase in its use in France and Austria is still greater.

It is generally conceded that this legislation will benefit manufacturers. The benefits accruing to the farmer will be incalculable. It will provide him with an accessible and comparatively cheap fuel for heating, lighting, and power purposes. The question of heating and lighting on the farm, especially on our western prairies, is becoming a serious problem. Although there is some coal in the prairie sections, the supply will undoubtedly be exhausted before a very distant day, and hard coal, because of excessive transportation charges, is generally expensive in agricultural communities far removed from the source of supply or distant from railroads. In Europe the fuel problem has been largely solved by the removal of the tax on denaturized alcohol. There the chief sources of alcohol have been the potato and the sugar beet. In his statement submitted to the Committee on Ways and Means, Mr. Wilson, the Secretary of Agriculture, asserted that other sources of alcohol which may be utilized in the United States are the white potato of the North, the sweet potato, the yam of the South, the cassava plant, waste molasses from the sugar cane, waste molasses from the sugar beet, and the waste product from the stock of the Indian corn at the time of the hardening of the grain. In discussing the possible sources of denaturized alcohol for industrial, heating, lighting, and power purposes, the Secretary of Agriculture made use of the following language, which has a pertinent bearing on the pending measure:

> So, looking at this subject from the agricultural standpoint, we find that the Northern States could readily depend upon the white potato as a source of heat and light, the Southern States upon the yam and the sweet potato, and the Western States upon the sugar beet. The extensive irrigation projects now being carried on by the United States Government will result in watering lands that will produce sugar beets more profitably, perhaps, than any other crop. The molasses can be readily turned into alcohol.
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> The stalks of Indian corn, at the time when the grain is sufficiently hardened to be perfectly sound, when harvested contain a large quantity of starch. If the stalks of Indian corn could be utilized at that time for the manufacture of alcohol, they would produce a quantity which would be almost incredibly large. There would be approximately 10 tons of stalks to the acre of Indian corn yielding 50 bushels to the acre, or 20,000 pounds, and of this at least 12 per cent, or nearly 2,400 pounds, is fermentable matter, 45 per cent of which can be recovered as alcohol, equivalent to 1,080 pounds of absolute alcohol, or

approximately 170 gallons of commercial alcohol. The average yield of Indian corn is only about one-half the above, but the heavier corn lands of the country that would be used for growing corn for alcohol average easily 50 bushels to the acre. It is safe to say that the average amount of sugar and starch which goes to waste in the stalks of Indian corn annually would make 100 gallons of commercial alcohol per acre. When we consider the vast number of acres cultivated in Indian corn, approximately 100,000,000, it is seen that the quantity of alcohol that is lost in the stalks is so large as to be almost beyond the grasp of our conception.

I submit, therefore, Mr. Speaker, that the sources from which denaturized alcohol could be procured in the United States are not only accessible but abundant, varying in kind according to the agricultural conditions of the several parts of the country.

A second beneficial result to the farmers which would result from the enactment of the pending measure would, in my opinion, be the regulation and in some localities the lowering of the price of kerosene and gasoline, and according to some advocates of the bill this would be denaturized alcohol's most important function. The people—the consumers—are apparently at the mercy of the Standard Oil trust, which arbitrarily fixes the price of its commodity, and any legislation which promises relief from this condition should, in my judgment, receive favorable action at the hands of Congress.

Again, the gradual and general use of denaturized alcohol on the farm bids fair to revolutionize agricultural methods, and will undoubtedly mark the beginning of a new era in the science and business of farming. The advent of the reaper, supplemented in later years by other and important labor-saving farm machinery, resulted in lasting and beneficial agricultural development. Before that time the invention of the cotton gin made it possible later for the South to produce her 13,000,000 bales of cotton to-day. As a result of the introduction of this labor-saving machinery on the American farm, we are to-day the richest nation of the world, and the quantity of the products of the soil has so increased that we are now not only supplying food and provisions for our own people, but are yearly sending abroad an immense surplus to help feed the nations of Europe and the peoples across the Pacific. The welfare and prosperity of our country depends in a large degree upon the welfare and prosperity of the farmer. The use of modern machinery on the farm has not only increased the agricultural wealth of the United States, but industry in all its numerous branches and ramifications has likewise responded and prospered in turn. Industries have been carefully fostered under a protective tariff, but agriculture to a large extent has been obliged to work out its own salvation. The farming communities of the country have demanded this legislation in no uncertain terms. Thousands of petitions signed by farmers throughout the country asking for the passage of this measure have been filed with the Committee on Ways and Means. To my mind the opportunity to enact legislation in the interests of the people, and especially the farmer, on whom we all depend, is now presented to this Congress, and I trust that the Members of this House will not fail to do their duty, but will pass this bill.

The Free-Alcohol Bill.

REMARKS
OF
HON. M. E. DRISCOLL,
OF NEW YORK,
IN THE HOUSE OF REPRESENTATIVES,
Monday, April 16, 1906,

On the bill (H. R. 17453) for the withdrawal from bond, tax free, of domestic alcohol when rendered unfit for beverage or liquid medicinal uses by mixture with suitable denaturizing materials.

Mr. DRISCOLL said:

Mr. SPEAKER: "Discussion elicits truth," and when the mind is open sometimes clarifies the reason. The agitation for this bill, removing the internal-revenue tax from denatured grain alcohol, has been an educator. Some of us have become a little familiar with the terms "methyl" and "ethyl," and have obtained a little glimmering of light as to the meaning of denaturing or denaturizing ethyl alcohol. The impression heretofore was quite common that the principal and practically the only use of this liquid was for stimulating, and, if imbibed in sufficient quantities, for intoxicating purposes. Now we have learned that its uses in the arts, industries, and sciences may be almost unlimited.

Sometime ago a committee of manufacturers undertook the onerous task of educating Congressmen on this particular subject, and they have succeeded beyond their expectations. They have kept us busy reading pamphlets, addresses, reports, newspaper clippings, and literature in various forms and apparently from divers sources, which, perhaps, largely emanated from the same central bureau. They have been tireless, intelligent, and persistent in their appeals and presentations, and have succeeded in making an impression. Their assertions and promises may be heavily discounted and substantial merits will still remain in their proposition. If a little of what we have been told is true, alcohol may be used in very many ways aside from the production of fire water. They tell us it puts the transparency into soap, the finish on furniture, the polish on pianos, the gloss on top hats; that it makes common cotton look like silk, and that it is an essential, and in many cases a necessary agent in the most successful manufacture of about 500 articles in ordinary use. They tell us that after the passage of this bill it will be used for heat, power, and light; that it can be made not only from all kinds of grain, but also from potatoes, turnips, beets, yams, cornstalks, sugar-cane refuse, dirty molasses, and from any product of the soil which contains sugar; that it can be produced at a cost of from 12 to 30 cents per gallon, according to the place and price of the raw materials; that it will be used as a motive power to propel automobiles, boats, thrashing machines, mowers, reapers, plows, and harrows; that it will be used to operate fanning mills, cider mills, planing mills, sawing mills, straw cutters, and a multitude of other small mechanical appliances; that for economy and efficiency it will put the horse out of business in the treadmill, the dog out of business at the churn, and the housewife out of business at the washtub; for cheapness and accomplishment it will do the work heretofore done by human muscle and horse muscle, and will work wonders on farms and in small manufacturing plants. We are informed that for illuminating purposes it will be especially available; that it produces a soft, mellow, white light, cheaper than oil and more comfortable to the eyes than any illumination except the rays of "Old Sol;" and that it will check the rapacity of Standard Oil, by providing a cheaper and superior substitute. The people throughout our country, and especially in our large cities, have been suffering at the hands of lighting monopolies. The managers of those concerns have been consumed with the desire, or disease, to get rich quick by watering their stock and winding their gas. They are plundering the people by compelling them to pay excessive prices for inferior commodities, that they may be able to declare dividends on overcapitalization.

If the advocates of this measure prophesy truly, the greed and extortion of those gentlemen will be stopped, for housekeepers will use alcohol lamps. Coal operators and miners are unable to agree. Strikes are becoming too frequent. When these industrial wars are on the operators, carriers, wholesalers, and retailers take advantage of the situation, and up goes the price of coal beyond all reasonable limits. Poor people suffer from cold and from food insufficiently cooked. This need will be supplied by alcohol stoves. The consumers will be relieved, the coal barons will not have a monopoly, and strikes will be discouraged. Verily, many are the blessings which will flow from this beneficent law. Our arts and industries will be stimulated and encouraged. Our artists will be enabled to create masterpieces for the decoration of millionaires' mansions, and the flow of our gold to the æsthetic centers of Europe will be discontinued. Our manufacturers will be able more successfully to compete with their trans-Atlantic rivals for the commercial sumpremacy of the world. Our farmers will be enabled to convert their surplus products into heat, light, and power, and a reign of domestic economy and comfort and commercial activity will be inaugurated.

The demand for the passage of this bill is almost unanimous. If there is a manufacturer, large or small, except producers of wood alcohol, within the limits of our broad domain who has not written his Congressman directing him to vote for this bill, such omission must have been due to sickness or gross carelessness.

With all these facts and influences on the credit side of this proposition, what are the allegations against it? That the Federal Treasury will lose a considerable revenue; that the low-down topers, whose palates have lost the sense of taste, will drink it and injure the cause of temperance, and that it will destroy the wood-alcohol business. It is true there will be some loss of revenue, but that will be a mere trifle compared with the many benefits resulting to our business and commerce from this law. The taxpayers can well afford to make up that deficiency in some other manner if necessary. And if the President's suggestion of a graduated tax, inheritance or otherwise, on fortunes swollen beyond healthy

limits be enacted into law, there will be no need of internal revenue.

Temperance people have interposed no objection to the passage of this bill, so far as I have heard. They have confidence that our chemists can denaturize alcohol so effectively that the human stomach, if not the palate, will rebel against it.

Yes, the operation of this law will injure but not destroy the wood-alcohol business. We plead guilty to that charge. The gentleman from Michigan [Mr. YOUNG], in a lengthy, exhaustive, and masterly argument, in which he fortifies his assertions with many facts and figures and numerous citations from official reports in this and other countries, has stated the case with great ability from the view point of the methyl manufacturers. And if perchance anything was left unsaid it was fully supplemented in the earnest and eloquent appeal by the gentleman from Pennsylvania [Mr. DRESSER] in behalf of his wood-alcohol constituents. They are advocating the interests of their people; but, unfortunately for them, they stand almost alone on the floor of this House, for there are not many Congressional districts in which wood alcohol is produced to any considerable extent, and all the balance of this country is arrayed against them. They have made a resolute fight against odds, for they are striving to thwart the good of the many for the benefit of the few. The grand economic law, the greatest good for the greatest number, is here being applied. Why should the many farmers be denied a market for some of their grain and other surplus products in order that the few wood-alcohol producers may have a market for their goods? Why should millions of homes be precluded from the use of denatured alcohol for heat and light in order that a very limited number of wood-alcohol manufacturers may be maintained in prosperity? Why should our multitude of manufacturers be handicapped in their rivalry with foreign competitors for the enrichment of a few limited localities? Why should the benefits which are promised from the operation of this law to our arts and industries, our farmers and manufacturers, our artists and housekeepers, be refused on the plea that it will injure a few methyl makers and allied industries? Why should those few be granted a monopoly? Why should they be enabled by law to force upon the general public an inferior article at a high price, when a much better article can be produced at home and sold at a much lower price?

The gentleman from Michigan [Mr. YOUNG] makes the point that the Government will pay a bounty of 5 cents a gallon on denatured alcohol under this law, for the reason that it will pay the expenses of inspection and supervision, so that it may be effectively denatured and rendered nondrinkable. This is alleged to be a bounty, and it looks very much like it. If this were, in effect, a discrimination against wood alcohol, it should not be done. But such is not the case. Five cents a gallon on denatured grain alcohol, added to the cost, would very likely drive it out of the market as a producer of light, heat, and power. This would be a loss to the general public, but greatest of all to the wood-alcohol people, for while such tax would very materially limit its consumption for heat, light, and power, if it would not exclude it altogether, it would still take the place of wood alcohol for other purposes, because it is much better and can be sold at a lower price after the payment of 5 cents a gallon for the expense of administration. Better, far better, for them that denatured grain alcohol be put on the market at the lowest possible price, so that it may be used for fuel, light, and power, as well as in the arts and manufactures, for the greater the demand for this the greater will be the market for their product as a denaturent.

It is claimed that the taxing power of the Government is here invoked to tear down one industry in order to build up another. The direct opposite is the truth. The wood-alcohol industry has been built up, not because it is a better or cheaper article or because of any natural advantage, but by the taxing power of the Government which has prohibited grain alcohol as a competitor. This bill removes that restraint and limitation, and if the wood-alcohol people must suffer a little for the benefit of all the remainder of our people, it is their misfortune.

A reign of extravagance and waste has prevailed in this country ever since its settlement by the white man, especially in the felling of our magnificent forests and in burning and destroying our timber. There is comparatively little woodland left, and that is being stripped with cruel rapidity. Lumber is scare, and the market is rising continually. In addition to the ordinary uses, wood pulp and wood alcohol are consuming our limited forest reserves, and if the operation of this law will preserve them in some degree it will be a blessing.

Other enterprising and aggressive commercial nations have adopted measures similar to this for the promotion of business and commerce, which give them an advantage in the present fierce competition. Our people should have an equal chance in the world's markets. Let this bill pass, and let it be put into operation as soon as possible. It will accomplish more than its enemies admit, and possibly less than its friends claim. But it is legislation in the right direction, for it releases trade from burdensome restraints. The people are overwhelmingly for it, and their demand should be recognized.

The Free-Alcohol Bill.

SPEECH

OF

HON. CHARLES H. GROSVENOR,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, April 16, 1906,

On the bill (H. R. 17453) for the withdrawal from bond, tax free, of domestic alcohol when rendered unfit for beverage or liquid medicinal uses by mixture with suitable denaturing materials.

Mr. GROSVENOR said:

Mr. SPEAKER: Nothing that I shall say will render insecure the passage of this bill. It is destined to pass in the House with practical unanimity, and I am opposed to the legislation and desire to briefly state why. This bill is another step in the direction of prostituting the taxing power of this Government to the base purposes of pulling down one industry and building up another. Look at it from any standpoint you please and this is the object and aim of the bill. It is advocated in the interest, it is said, of the farmers and manufacturers, but its passage, if it is to have any effect, will be to destroy a legitimate industry. The promoters of this legislation would not desire its passage if they did not believe that its passage would destroy the manufacture of wood alcohol. I am not unaware that the distinguished chairman of the Ways and Means Committee has said in this debate that it will make a market for wood alcohol and increase its product. Of course he was joking or else he has been woefully misled. But, Mr. Speaker, I do not care anything about all this. Let it be true or false, let it affect favorably or unfavorably the wood-alcohol business, it is the principle that I denounce. "A power to tax is a power to destroy," said Mr. Justice Miller, of the Supreme Court of the United States, and from that time there has been creeping into the legislation of the country the fell purpose to so manipulate Congressional action as to build up fortunes and pull down industries. The entering wedge was the last oleomargarine demonstration. The original oleomargarine bill was a proper bill. I voted for it and supported it earnestly. It sought to brand and mark imitation butter so as to make fraud impossible, but when the friends of the new measure came to Congress and avowedly declared that they had come asking a measure at the hands of Congress that would forever destroy and make impossible the industry of oleomargarine I revolted. I stood for the filled-cheese bill, wrote the report, and championed it on the floor; but I could not stand the prostitution of the taxing power of the United States to the destruction of an industry that cheapened production and furnished a healthful and valuable article of food to the poor man and the rich alike. So we have gone on step by step, and here is another specimen.

If wood alcohol can be destroyed by this indirection, it is said we shall have cheaper stuff of some kind called denaturized alcohol, and read the prophetic utterances. Was there ever anything like it? We are to plow, harrow, plant, sow, reap, thrash grain, and eat by the power of denaturized alcohol. Automobiles are to spin along every road in the United States and frighten all the horses and kill the unwary, propelled by alcohol. Houses are to be illuminated and heated by denaturized alcohol. Systems of education are to be inaugurated and promoted by alcohol. The bill is objectionable from another standpoint. The Secretary of the Treasury and the Commissioner of Internal Revenue asked Congress to provide a tax upon this stuff of from 1 to 3 cents a gallon, to pay for the expense that the Government is to go to in taking care of processes by which real alcohol is to be transformed into this harmless article. An army of additional officeholders is to be created, new warehouses are to be constructed, and a secret service organized to prevent frauds that will inevitably grow up, and all this is to be done free by the Government, and all this entailed expense is to come out of the pockets of the people and be lavished on those to be benefited.

Again, no man has been hardy enough to estimate with any

degree of assurance how much the cost to the revenues will be. "Ten millions a year," they simply say, but if the use is to be anything like what these people estimate, it will run into five times that amount in the years to come. How is this money to be raised? We must supply this deficit. We withdraw this much from the available resources of the Government. How is its place to be supplied?

But, Mr. Speaker, above it all is the first proposition. It makes no difference whether you are adding a tax to one article, as in the oleomargarine case, to destroy it and make it impossible of production, or whether you are to withdraw from another article taxation in order to cheapen it and thereby destroy another production. The whole scheme is absolutely vicious. Many thousands are to be turned out of employment. Many thousands now supported by the legitimate industry of wood alcohol are to be stripped of their means of support, and the real proposition is to benefit a few manufacturers, already grown rich, by cheapening an article necessary to their production; and we are told that you can take all the drinkable qualities out of this commodity, but you can not get them back in. Does anybody who has common sense believe that? I look to see some American saki spring up from the grave of destroyed wood alcohol and flood the American market and, unfortunately, the American home with a cheapened drink that will be seductive and deadly. I hope I am wrong in this; but the principle upon which this legislation proceeds is un-American, undemocratic, and dangerous.

Post-Office Appropriation Bill.

SPEECH
OF
HON. J. VAN VECHTEN OLCOTT.
OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Friday, April 13, 1906.

The House being in Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 16953) making appropriations for the service of the Post-Office Department for the fiscal year ending June 30, 1907, and for other purposes—

Mr. OLCOTT said:

Mr. CHAIRMAN: I do not want the consideration of the postal appropriation bill to end without placing myself on record in favor of the immediate increase of salaries of postal carriers and postal clerks in the larger cities. The amount of money appropriated by this bill for such salaries is predicated on the amounts of those that have been paid for more than thirty years. The carriers receive from $600 to $1,000. So they did thirty years ago. Perhaps it was adequate then; certainly it is inadequate now. I yield to no one in admiration of the work done by the chairman of the Committee on Post-Offices and Post-Roads and the entire committee in their treatment of the manifold and divers matters that must perforce come up for consideration in discussing their appropriation bill, but I do think that they have for several years past considered the subject of the pay of carriers and clerks from a wrong standpoint. Unlike the military, the naval, and the legislative appropriation bills, which provide for the expenditure of enormous sums of money without expectation of any direct financial return, the postal service is considered from the standpoint of a great commercial business, conducted, it is true, for the welfare of the people at large, but with a desire of making the expenditures not exceed but possibly fall below the receipts.

If the mail is to be carried by the Government instead of by a private enterprise, it should not be done at the expense of ill-paid employees, nor should they be made to pay more than their share of such enterprise. The people in the cities and the people in the towns, as well as those in well-nigh unsettled communities should have the privilege of receiving the mails at frequent times, so that their business interests should be properly conserved, and their social matters should be properly cared for, and all this work should be expeditiously and economically cared for and administered. The exigencies of the large cities demand more constant mails and more frequent delivery of the mails than are demanded by smaller cities, towns, villages, and rural districts, just as private enterprises demand most unremitting care and attention where their business is greatest. Postal facilities should be promptly extended to growing territory, even though such extension does not pay. Persons whose business and personal affairs necessitate their absence temporarily or permanently from their former homes or their business centers should be kept in close touch with all dependent upon them or with whom they are connected, and as this can not be done by private enterprise it must be done by the Government. Hence this enormous machinery has developed to properly transmit the mail. Inasmuch as this is undertaken by the Government the old cumbersome system of different rates of postage for different distances was long done away with and a universal charge of postage was adopted, and this for the reason that equal conveniences should be accorded to all citizens, even though the post-office business is conducted at a loss. But how is it to be paid for, and is the amount received from the sale of postage stamps to be the total amount of money raised for the service? Of course it is not, and it is therefore recognized that a deficiency in postal receipts is always to be expected. So much must be appropriated for executive charges, so much for railroad and other methods of transportation, so much for equipment, and so much for the services of carriers and clerks. For years the pay of carriers and clerks has been the same, to the manifest injustice of such employees in the larger cities. It is not necessary to prove that it costs more to live in New York, Chicago, Boston, and St. Louis than it does to live in smaller cities.

The carrier or clerk in a small town or city can naturally live better on $1,000 than he can in the large city. Rents are higher, living is dearer, and every form of expense is greater in the great cities than in the small ones. One thousand dollars a year is not enough for any man intelligent enough to be a carrier or clerk to live on in New York or Chicago. This needs no argument.

Of course the extension of rural free delivery is good. Equally certain is it that the cost of carrying mails to Porto Rico and the Philippines is expensive, and the Government of the United States is able and willing to give such facilities to its people at its own expense; but it is all wrong to make up the increased deficiency occasioned by reason of these greater expenses by declining to consider the needs and just demands of the overworked clerk and carrier in the city. If we want to give our rural communities and Porto Rico and Alaska and the Philippines greater facilities, do it by all means. If we want more rapid transmission of mails between the capital and the South—the country approves of these things and will willingly pay the bill—but do not let us make the deficiency thus caused a reason for not doing justice to the men in the cities.

As I said before, a carrier gets in New York from $600 to $1,000. He presumably works eight hours a day, but he frequently has to work more to get through his route betimes; he looks forward to no pension because he has none; the least of the penalties for accidental loss, let alone culpable negligence, is dismissal; he has no leave of absence except fifteen days, and in case of sickness he can not increase that leave except at his own cost, and then as a special favor; day laborers of the humblest character get more pay than he.

When several of my colleagues and I have asked the committee for relief, we have been told there might be merit in our claim—nay, we have been told that there *was* merit, but the committee can not give relief because the expense of the second-class matter is so great; the expense of rural free delivery increases so rapidly; so many outside expenses must be cared for that the deficiency will be largely increased, and therefore we can not raise salaries.

In other words, the Congress determines that for the good of the country the rural free delivery shall be extended at a considerable cost; that fast trains will be continued at a loss, and that the deficiency will be paid, not by the Government, but by the clerks and the carriers in large cities, who merit increased pay. Is not this a logical deduction, and is not the principle all wrong?

The resolution of inquiry as to cost of second-class mail matter has been inserted in the bill, and will, I hope, pass, because then we are told the matter of just pay will be seriously considered in the next session. But we are to wait until then for justice, unless the Senate will relieve us. The men have waited so long, they have been put off by promises of relief at the next session so many times, that they can not be made to feel that the present promise is different from the others. I believe that the amendments offered by my able colleague from New York [Mr. BENNET] should have been passed because they were fair, and because they were right and because they would have benefited the country itself. There can not be wisdom in any enterprise, Federal, State, municipal, corporate, or personal, with employees inadequately paid. To decrease deficiencies in the postal service at the expense of long-suffering, honest, faithful employees of the Government is not wise, it is not right, but it is foolish and wrong.

Eulogy on the Life and Character of the Late George A. Castor.

REMARKS

OF

HON. CHARLES H. GROSVENOR,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Sunday, April 22, 1906.

The House having under consideration the following resolution:

"*Resolved*, That the business of the House be now suspended that opportunity may be given for tributes to the memory of Hon. GEORGE A. CASTOR, late a Member of this House from the State of Pennsylvania.

"*Resolved*, That as a particular mark of respect to the memory of the deceased, and in recognition of his distinguished career, the House, at the conclusion of the exercises of this day, shall stand adjourned.

"*Resolved*, That the Clerk communicate these resolutions to the Senate.

"*Resolved*, That the Clerk send a copy of these resolutions to the family of the deceased"—

Mr. GROSVENOR said:

Mr. SPEAKER: A famous dramatist put into the mouth of one of his most eccentric characters this sentence: "How soon they forget us when we are dead." I imagine that if that dramatist was to come into this Hall now where we are pronouncing eulogies on the Members of Congress he would find indorsement for his suggestion. I sometimes become reminiscent in my thought about the membership of the House of Representatives, and reflect upon the men who were here when I entered Congress, and try to follow out what has become of them. There are but five or six Members of the present House who were Members at the time I first came here, in the Forty-ninth Congress.

In following up that line of thought it occurred to me to speak a few words about the membership of Congress from Philadelphia and to state the fact of the great mortality that has seemed to follow that delegation. Kelley was a Member of the Forty-ninth Congress, one of the most distinguished of the Pennsylvania Representatives of that day. Randall was another, the great leader of thought and a most distinguished Congressman. Kelley died a Member of the House and Randall died a Member of the House. Then there was O'Neill, whom we called, in our affection for the warm-hearted, genial, pleasant gentleman, "Charley O'Neill." He died a Member of Congress. Harmer, an able, distinguished, faithful man, also died a Member of this House. Then came two more following in rapid succession, bright, brilliant, sparkling business men, Burk, the predecessor of CASTOR, he died; and strangely enough, at least singularly, so far as I remember, the successor of Burk has now died. I do not remember in following out the history of the Members of the House where a Member elected to the House and who died in office and was succeeded by another that that other also died; not, it is true, in the same term. Then came Mr. Foerderer, another distinguished leading business man of Philadelphia, who came about the time of Burk—I do not remember the exact incidents in their election—but he died, making, in all, since I have been a Member of this House, seven Members of the House from Philadelphia who died while holding the office of Representative here.

They were all of them able men in their way. Of course we would classify Kelley and Randall as the distinguished men, from a national standpoint, and from the standpoint of active, patriotic service to their constituents perhaps no man ever excelled Charley O'Neill. It is a remarkable circumstance that Messrs. Foerderer and Burk and CASTOR, from the single city of Philadelphia, should have died within the compass of time that carried them away. They were all of them efficient and able men in their particular lines. Mr. Foerderer was a prominent business man. Mr. Burk was an active, vigorous, successful business man, and Mr. CASTOR was not only a prominent business man, but a man with a clear head and a warm heart and a genial purpose. What he might have accomplished in the House of Representatives I do not know; that he started well we will all certify, and that he left behind him a record of active endeavor no man will deny.

Samuel J. Randall was a noted man. He was a man of leadership, a man of probative statesmanship. He was a Democrat, but he was broad minded, and his observation and wisdom covered more than the outlines of a single State. In my humble way, as a new Member of the House of Representatives, I greatly admired him. I remember how he began to falter and fail physically. On one occasion, when a new suggestion came to my mind in view of a bill containing an appropriation for the widow of a Congressman who had died, as I recollect, on the sixth day of the term to which he had been elected, his term beginning on the 4th of March, I spoke to Mr. Randall. He took a violent cold at the inauguration of a President and died of pneumonia within two or three days. The bill contained a provision for the full amount of pay that the Congressman would have drawn in his two years' term and also an allowance for mileage. It was a new thing to me and suggested whether it was exactly the right thing, and I remember Mr. Randall's answer. He said: "Well, possibly not, but we feel like being liberal in these cases, and who knows, GROSVENOR, who will want this allowance next?" A strange suggestion. Before that term of Mr. Randall expired he, too, was dead, and Congress made an appropriation for the benefit of his widow.

As Speaker of the House Randall was absolutely fair, and on more than one occasion put patriotism far above partisanship.

Kelley, too, was a leader and statesman. His advocacy of protection to American industry was the most efficient support that that idea in statesmanship had had up to the time of his death. He was the acknowledged leader of the great proposition of protection to American industry and American capital. He was congenial, pleasant, and valuable as a Representative.

Charley O'Neill—who shall describe the genial and pleasant defender of Philadelphia? Philadelphia never had a better defender or Representative. He not only represented the great city, but he stood for Pennsylvania and he stood for his constituents. Congress had voted an appropriation for the centennial celebration at Philadelphia in 1876. It was in the nature of a loan, which Philadelphia promised to pay back, and Philadelphia did pay it back, and Father O'Neill was very proud of it and did not let many opportunities go by to remind Congressmen when it was pertinent of the unique fact that Philadelphia had repaid this debt according to her promise. On many occasions some Congressman, without full knowledge of the facts, would intimate that Philadelphia had been a beneficiary in this matter and was under certain obligations to other people, and so on, but the sound of a gentleman's voice making any suggestion of that kind which did not put the case of Philadelphia fairly scarcely ceased until Charley O'Neill arose, and with great energy and great vehemence referred to the fact that Philadelphia had paid every dollar of the money which had been advanced to her. He was a charming man.

General Harmer was a staid, reliable, conscientious Representative, always at his post of duty, always intelligently standing for the principles he espoused. And I could go on and speak of the others, but their connection with Congress ended very recently and ample eulogy has been pronounced.

Philadelphia has been fortunate in her Representatives, and her great interest in national legislation has been carefully looked after by her Congressmen.

We drop a tear of affection and regret upon the bier of our departed friend CASTOR. He had just entered upon the opening chapter of a career. That his success would have been satisfactory we all believed. That his death was untimely we have to regret.

Agricultural Appropriation Bill.

SPEECH

OF

HON. ASBURY F. LEVER,

OF SOUTH CAROLINA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, May 1, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 18537) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1907—

Mr. LEVER said:

Mr. CHAIRMAN: Availing myself of the courtesy extended to me by the House on yesterday, I wish to discuss briefly that provision in this bill which directs the Secretary of Agriculture to expend "a sum not to exceed $20,000 in further developing the dairy industry of the Southern States by conducting experiments, holding institutes, and giving object lessons in cooperation with individual dairymen and State experiment stations."

As I said yesterday, this provision was inserted in the bill upon my motion and carries the gist of a bill which I introduced in the House early in January.

The total value of dairy products of the United States for the year 1900 was over $600,000,000. The dairy industry is therefore one of the leading industries of the country. It has made the central Northwestern States enormously rich and

has added greatly to the aggregate wealth of the nation. An investigation into the subject brought my attention to the fact that in the South there has been practically no development in this industry in the last fifty years. I submit here a table showing this fact:

Table A.

State.	1850.				1900.			
	Population.	Neat cattle.	Cattle per 1,000 population.	Cattle per sq. mile.	Population.	Neat cattle.	Cattle per 1,000 population.	Cattle per sq. mile.
Alabama	771,623	728,015	943	14.1	1,828,697	799,734	437	15.5
Florida	87,445	261,085	2,986	4.8	528,542	751,261	1,421	13.8
Georgia	906,185	1,097,528	1,210	18.6	2,216,331	899,491	406	15.3
Kentucky	982,405	752,512	766	18.8	2,147,174	1,083,248	505	27.1
Louisiana	517,762	575,242	1,111	12.7	1,381,625	670,295	485	14.8
Mississippi	606,526	733,970	1,210	15.8	1,551,270	873,356	557	18.8
North Carolina	869,039	693,420	798	14.3	1,893,810	624,518	330	12.8
South Carolina	668,507	777,686	1,163	25.8	1,340,316	342,898	256	11.4
Tennessee	1,002,717	750,762	749	18.0	2,020,616	912,183	452	21.9
Texas	212,592	330,114	1,553	1.3	3,048,710	9,428,196	3,030	35.9

The table below (B) shows the progress of the industry in States outside of the South:

Table B.

State.	1850.				1900.			
	Population.	Neat cattle.	Cattle per 1,000 population.	Cattle per sq. mile.	Population.	Neat cattle.	Cattle per 1,000 population.	Cattle per sq. mile.
Illinois	851,470	912,036	1,071	16.3	4,821,550	3,104,010	644	55.4
Indiana	988,416	714,666	723	19.9	2,516,462	1,684,478	669	46.9
Iowa	192,214	136,621	711	2.5	2,231,853	5,367,630	2,405	96.8
Massachusetts	994,514	259,994	261	32.3	2,805,346	285,944	102	35.6
Michigan	397,654	274,497	690	4.8	2,420,982	1,376,408	568	24.0
Minnesota	6,077	2,002	329	.....	1,751,394	1,871,325	1,068	23.6
New Jersey	489,555	211,261	432	28.1	1,883,669	239,984	127	31.9
New York	3,097,394	1,877,639	606	39.4	7,268,894	2,596,389	357	54.3
Ohio	1,980,329	1,358,947	686	33.3	4,157,545	2,053,313	494	50.4
Pennsylvania	2,311,786	1,153,946	499	25.7	6,302,115	1,896,847	301	42.2
Wisconsin	305,391	183,453	600	33.7	2,069,042	2,314,105	1,114	42.5

Further investigation brought to my attention the fact that the South not only failed to sell dairy products in the markets of the world, but failed to supply the actual needs of its own market and its own people. I submit Table C, which shows the amount of butter and cheese which must be bought from northern and western markets by each of the Southern States:

TABLE C.—*Imported or unsupplied.*

State.	Butter.	Cheese.
Arkansas	3,952,821	4,848,033
Alabama	16,703,140	6,756,379
Florida	8,972,978	1,962,425
Georgia	28,279,634	8,242,515
Louisiana	22,161,621	5,004,541
Texas	11,510,510	11,146,778
Mississippi	11,475,132	5,742,152
North Carolina	20,204,874	7,016,090
South Carolina	18,119,757	4,984,805
Tennessee	10,283,464	7,483,869
Total	151,653,931	63,187,677

It appears from these figures that the South buys from northern and western markets each year over 150,000,000 pounds of butter, 63,000,000 pounds of cheese, and millions of gallons of milk. A conservative estimate shows that the Southern States are annually contributing to markets other than their own the enormous sum of $38,000,000 for butter and cheese alone, products which we have every reason to believe can be raised at home. That such a condition should not continue is apparent to anyone.

This appropriation of $20,000, carried by this bill, has in it the possibility of the creation of a new industry in the South, and the saving to our people of this enormous drain upon their resources.

There can be no good reason given why the dairy industry can not be built up in the South. We have every natural advantage in the mildness of our climate and in the capacity of our soil to yield large forage crops, and the rapidly increasing populaiton of our cities and the growth of our manufacturing interests will consume for many years much in excess of the entire products of our dairy farms. It seems to me that the time is opportune for launching this industry among our people, especially when we take into consideration the increasing demand for dairy products.

That this industry has not heretofore been developed is due to the fact that the entire attention of our people, all their energies, and most of their agricultural capital have been given to the development of the cotton industry. Cotton has been and will continue to be the great money crop of the South. It is king among our people, and so jealous is it of its own dominion that no other agricultural industry has dared to raise its head within its domain. The people of the South have become servants of the one-crop system. We have grown cotton so long and so successfully that we have come to believe that we can not grow anything else, and the bulk of our people have been afraid to undertake any new agricultural industry. The purpose I had in mind when I introduced this bill was, as much as anything else, to prove to our people by actual demonstration that cotton was not their master, and to teach them that in the diversification of their industries must lie their ultimate agricultural independence. I want to show the people that the same attention devoted to the raising of cattle and the development of the dairy industry as is given to cotton will bring a profitable return. I want to strike from their wrists the manacle of the one-crop system, and make them in a degree the holders of a monopoly upon their cotton. They do not now have this monopoly, although it is often asserted that they have. You can not have a monopoly on anything when you must sell it to buy the necessaries of life. The southern farmer is now the slave of the cotton speculator and gambler, the servant of the cotton spinner, because in the fall he must rush his cotton upon the market in order to meet the obligations incurred in the production of the crop. When our farms are self-sustaining and cotton is a surplus crop, then, and only then, can we take advantage of the monopoly in the growing of cotton which is given to us by our peculiar soil and climate. The southern farmer must diversify if he would reap the full possibilities of his natural advantages. It is my hope that this appropriation will serve as an entering wedge in this direction.

No industrial structure can long maintain itself on one leg. Farming is at best a gamble, and the single-crop system is always a gamble. It will not do to put all of your eggs in one basket. The great West went crazy on wheat some years ago. Wheat became to the western farmer as much his master as cotton has become the master of the southern farmer. The result was that in 1890 to 1894, in that period of low prices, one-third of the wheat growers in the United States lost their farms by foreclosure, and it was only in those sections of the West where diversified farming was practiced that the hammer of the sheriff was not felt. So it was in the South some years ago, when our cotton was selling from 4 to 5 cents per pound, a foreclosure was the commonest occurrence. We all remember that period of gloom and depression among our people. Our one-crop system had made us victims of the cotton gambler, and industrial ruin was almost the result. Only those countries where there is diversified agriculture attain the highest development of their agricultural possibilities.

The Department of Agriculture for several years has been conducting a diversification campaign in the South, and no section of the country offers such a promising field for the diversification missionary. This appropriation is intended to be a reenforcement of the work of the Department in this direction.

I understand the plan of the Department, if this appropriation passes the Senate, is to employ a number of dairy experts who will work in cooperation with the State experiment stations and with individual dairymen. They will furnish to the dairyman the cheapest and best plans for the construction and erection of silos; they will teach him the most economic methods of feeding and show him the value of herd selection; they will point out to him the best methods of manufacturing, handling, and marketing his products, and put him in touch with the best markets for the sale of the products. They will visit every dairyman in the South, when requested, and investigate the conditions and peculiar problems of each establishment and offer such suggestions and advice for improvement as their experience has given them. What our people need most to make the dairy business a success is expert information. This they have not had, and this it is that this appropriation would give to them. I am confident that an intelligent, aggressive campaign along these lines will succeed. There can be no reason for a failure. We should so far develop this industry as to at least supply our home markets with their demand for dairy products. If we can do this, we have saved to our people millions of dollars. But this is not all. If we can lay the foundation for the building up of a successful dairy industry in the South, we will

save to ourselves millions in the way of fertilizer bills and add millions to the value of our farm lands, whose fertility will be enormously increased by the development of this industry. I see in this appropriation great possibilities for good, and I feel that no one can doubt that the promise of tangible results is not a sufficient warrant for this appropriation with which to make the experiment.

This proposition has met with much favor in the South and is warmly indorsed by the Secretary of Agriculture and the press of the country, and that the House may be convinced of its wisdom in allowing this appropriation I submit some of these indorsements:

I submit a letter from the Secretary of Agriculture:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D. C., January 25, 1906.

Hon. A. F. LEVER,
House of Representatives.

DEAR SIR: I have your letter of the 24th, inclosing, for an expression of my opinion, a copy of House bill 12612, to further promote the dairy industry of the United States.

I have no hesitation in saying that the Department of Agriculture could wisely and judiciously expend the amount of money mentioned in your bill, namely, $20,000. There are many States of the Union where dairying has not been put in practice, and the dairy cow is a necessity as the center of the farm, around which all other interests should be grouped. Localities should make their own dairy products, and this Department can, advantageously to the country, study conditions in States where dairying is not now prominent, and help the people toward successful work along this line.

Very truly, yours,
JAMES WILSON,
Secretary.

Mr. Watson, commissioner of agriculture, commerce, and immigration of my State, heartily approves this proposition, as is shown by his letter to me:

STATE OF SOUTH CAROLINA,
DEPARTMENT OF AGRICULTURE, COMMERCE, AND IMMIGRATION,
Columbia, S. C., February 12, 1906.

Hon. A. F. LEVER,
United States House of Representatives, Washington, D. C.

DEAR SIR: I have just read a copy of your bill to further promote the dairy industry of the United States, and I hasten not only to inform you of the department's most earnest indorsement of this measure, but to express the sincere hope that it will be immediately enacted. When I consider the vast opportunities that the farmers, not alone in this State, which, as you know, is ideal for the fullest development of dairying in all its branches, but throughout the Union, save in a few sections, are letting slip by them simply for lack of a little intelligent direction, I feel that the measure is one of supreme importance to the nation. Certainly it looks to providing information that the South, and particularly South Carolina, is most sadly needing. This department has been doing all in its power to promote this industry and has met with considerable success in the last year, many new dairies and some eleven small cheese factories having been started; but in each and all of them is wanting intelligent direction and instruction. Frequently the small cheese manufacturer becomes disheartened and wishes to abandon his experiment simply because of some slight defect that could be remedied in five minutes by an expert. When the value of this industry in dollars and cents, not only in itself, but in the matter of bringing up agricultural lands, is taken into consideration, it can not but be seen that the appropriation carried in your bill will be worth many thousands of dollars to the agricultural wealth of our common country.

I would take the liberty of urging you to push your bill with all of your vigor, and I sincerely trust that it will be passed without opposition, as it certainly should do. If I can be of any service in appearing before the committee and giving light upon the conditions and needs in this State, I trust that you will not hesitate to call upon me, for I feel such a deep interest in the development of the dairy industry in the South that I am most willing to do anything within my power to further the cause.

Very truly, yours,
E. J. WATSON,
Commissioner.

STATE OF SOUTH CAROLINA,
DEPARTMENT OF AGRICULTURE, COMMERCE, AND IMMIGRATION,
Columbia, S. C., February 12, 1906.

Hon. A. F. LEVER,
United States House of Representatives, Washington, D. C.

DEAR SIR: I regret that we have no statistics as to the amount of butter brought into the State annually, and it will be impossible to get these figures, for the "importations" come from many sources and through many channels. I can tell you, however, that the Columbia distributing plant of the Armours sells in Columbia annually 28,000 pounds of butter at from 25 to 30 cents a pound and about 5,000 pounds of cheese. This concern has another plant at Charleston and several at border points. This is accurate and will give you a fair basis upon which to calculate the sales of Swift, Cudahy, and others. The eleven cheese factories we now have make an excellent product, but every now and then they have serious troubles that would be trifles to experts. These experiences of the pioneers deter others from going into cheese manufacturing.

On January 1, 1905, South Carolina had only 109,704 milch cows on her farms, these cows being worth $2,703,107. On June 1, 1900, on 154,913 farms there were 122,857 cows and 81,041 reported dairy cows upon them. At the same time we had in all South Carolina only 442 dairy farms owning 3,827 dairy cows. Of course, there are more now, but the increase has not been a noteworthy one, and the showing is a pitiful one.

In 1899 the total value of all the dairy products in South Carolina (on all farms) was $3,232,725, of which $2,890,342 was consumed on the farms. The butter production was only 8,150,437 pounds, of which only 1,103,637 pounds were sold; out of the 44,031,528 gallons of milk only 1,186,045 gallons were sold; 1,081 pounds of cheese were produced and only 800 pounds sold.

You will thus see that we have practically no dairy industry, unless you term the raising of milk and butter on farms for farm consumption an industry, and I certainly do not consider it such. There are not half a dozen real dairies and dairy farms in the State—I mean modern up-to-date establishments. The people know scarcely nothing of the dairying industry as such, and are letting run to waste what is a fine opportunity to benefit the country at large, in the light of the splendid conditions existing here for the development of the industry.

Very truly, yours,
E. J. WATSON, *Commissioner.*

The press of the South, particularly of my State, is unanimous in the indorsement of this idea:

[Spartansburg Journal.]

MR. LEVER'S DAIRY BILL.

The bill introduced in Congress by Representative LEVER, of this State, to promote the dairy industry, is a wise measure and should become a law.

The bill is entitled "A bill to further promote the dairy industry of the United States," and its text is as follows:

"*Be it enacted, etc.*, That the sum of $20,000, or so much as may be necessary, be, and the same is hereby, appropriated, out of any money in the Treasury not otherwise appropriated, to enable the Secretary of Agriculture to further promote the dairy industry of the United States, and that the Secretary of Agriculture be authorized to expend this sum, through the dairy division of the Department of Agriculture, in cooperation with individual dairymen and State experiment stations in such States, as in his discretion are most in need of such help."

In advocacy of this measure, Representative LEVER has said:

"The plan is to have the Department of Agriculture station one of its dairy experts in each of the Southern States. The duty of this expert will be to furnish individual dairymen with expert information as to the best methods of dairying. He will teach the farmer how to select his herd with a view of getting the best results; he will show him how to build silos and barns, and he will teach him the best methods of crop rotation in order to get the most forage for his cattle."

The development of the dairy industry would add greatly to the wealth-producing capacity of the South as well as of all parts of the country. As a means of general benefit, it would be difficult to conceive of anything requiring so small an expenditure of money that would compare with it. It would simply be teaching the people to help themselves, which is the best aid that can be given to anybody.

[The Mountaineer.]

The Mountaineer has received from Congressman LEVER a copy of the bill recently introduced by him looking to the promotion of the dairy industry in this State.

The following is the text of the bill:

"*Be it enacted, etc.*, That the sum of $20,000, or so much as may be necessary, be, and the same is hereby, appropriated, out of any money in the Treasury not otherwise appropriated, to enable the Secretary of Agriculture to further promote the dairy industry of the United States, and that the Secretary of Agriculture be authorized to expend this sum, through the dairy division of the Department of Agriculture, in cooperation with individual dairymen and State experiment stations in such States, as in his discretion are most in need of such help."

Mr. LEVER states that "the bulk of the appropriation carried by this bill will be used in the South for the purpose of putting a dairy expert in each of the Southern States, whose business it will be to cooperate with the various State experiment stations and individual dairymen in teaching the dairymen the best methods of the business. This expert will visit the individual dairyman and give him the benefit of the best experience as to herd selecting, building of silos, barns, etc."

This appears to us to be a good thing. We would be gratified to see much advancement in the dairy industry in South Carolina.

CONGRESSMAN LEVER AND THE DAIRY INDUSTRY.

The Representative from this district in Congress is endeavoring to secure an appropriation to encourage the dairy industry. There is very little dairying in this State, and there could be and ought to be a great deal. Our farmers are now beginning to diversify their products, and Mr. LEVER'S appropriation, if secured, will further their efforts. We hope this small appropriation will be made.

The Yorkville Enquirer says:

"It looks like a small matter maybe, but the successful outcome of the efforts of Representative A. F. LEVER to secure his proposed appropriation for the promotion of southern dairy interests promises greater possibilities than would seem to be within the reach of a paltry $20,000. Although there are not a few individual instances in every locality of South Carolina where more or less progress has been made in dairy development, it is not unfair or unjust to say that this industry has nowhere received anything like the attention to which it is entitled by reason of its importance. There are few people in all this land who do not understand how indispensable is milk, butter, and cheese to even tolerable living; but, unfortunately, there are still fewer who have a reasonable, comprehensive conception of the commercial possibilities of these commodities. But the South, especially this portion of it, is at least reaching the dairy stage. The supplying of our rapidly developing manufacturing villages and towns with dairy products is already a problem. In the course of time the problem will be solved as other similar ones have been solved, and our people will prove equal to the demand by which they are confronted. But still a little Government aid along this line will be of great service. Experts from the Middle West and Northwest, prepared to give us within a few years all the wisdom and experience that has been gathered by other sections in generations, can help us to develop this interesting and full proportion at once. Mr. LEVER is doing a good thing, and he deserves the support of all the people of the State in it. It is within the power of everybody to help him by writing him letters of commendation and indorsement, and such letters should not be withheld."

"A bill to further promote the dairy industry of the United States.

"*Be it enacted, etc.*, That the sum of $20,000, or so much as may be necessary, be, and the same is hereby, appropriated, out of any money in the Treasury not otherwise appropriated, to enable the Secretary of Agriculture to further promote the dairy industry of the United States; and the Secretary of Agriculture be authorized to expend this sum, through the dairy division of the Department of Agriculture, in co-

operation with individual dairymen and State experiment stations in such States as, in his discretion, are most in need of such help."

The above is the text of a bill introduced in Congress by Representative LEVER which we sincerely hope the Congress will pass. The dairy interests, in the South especially, have been too much neglected by the National Government, and even the small appropriation of $20,000 will give an impetus to scientific dairying, at the same time arousing interest among the people generally in improved dairy and farm cattle. By farm cattle we mean combination beef and milk cattle.

[Laurens Herald.]

A GOOD BILL.

Representative A. F. LEVER, of South Carolina, has introduced a bill in Congress to promote the dairy industry of the country. The bulk of the appropriation carried by Mr. LEVER'S bill will be used in the South for the purpose of putting a dairy expert in each of the various Southern States, whose business it will be to cooperate with the various State experiment stations and the individual dairymen in teaching the dairymen the best methods of the business. This expert will visit the individual dairyman and give him the benefit of the best experience as to herd selecting, building of silos, barns, etc. In other words, the expert is to cooperate with the experiment stations in teaching the Southern people the possibilities of the South for dairy purposes.

We regard this plan entirely feasible and hope Mr. LEVER'S bill will be enacted, and feel assured that our immediate Representative, Hon. J. T. JOHNSON, and our entire delegation will favor it; or, as for that matter, that every Southern representative in each House of Congress will favor it.

[Charleston Review.]

THE DAIRY INDUSTRY—A BILL INTRODUCED IN CONGRESS THAT WILL BE OF BENEFIT TO THE SOUTH.

The Hon. A. F. LEVER introduced a bill in the House of Representatives on January 20, which was referred to the Committee on Agriculture, that will, if enacted, promote the dairy industry of the country. The bulk of the appropriation carried by this bill will be used in the South for the purpose of putting a dairy expert in each of the various Southern States, whose business it will be to cooperate with the various State experiment stations and the individual dairymen in teaching the dairymen the best methods of the business. This expert will visit the individual dairyman and give him the benefit of his experience as to herd selections, building of silos, barns, etc. In other words, an expert is to cooperate with the experiment stations in teaching the Southern people the possibilities of the South for dairy purposes.

[The Echo and Press.]

In the House of Representatives on January 20 Mr. LEVER introduced a bill, which was referred to the Committee on Agriculture, and ordered to be printed. This bill will be of great benefit to South Carolina, inasmuch as the dairy industry of the State would be materially advanced. The bill provides for the appropriation of $20,000, or so much as may be necessary, out of any money in the Treasury not otherwise appropriated, to enable the Secretary of Agriculture to further promote the dairy industry of the United States. This sum is to be expended in such States as are in most need of such help. This shows that Mr. LEVER is on the alert for our interest, and knows what we need in this direction.

[News and Courier.]

MR. LEVER'S DAIRY BILL.

We called attention a few days since to the efforts Representatives LEVER and ELLERBE were making to further the agricultural interests of South Carolina by having established in this State model farms where diversification in crops would be practiced and taught. We said then, and repeat now, that our Congressmen could not be better employed than in such endeavors. It is gratifying, therefore, to commend a bill which was introduced in the House on January 20 by Representative LEVER and referred to the Committee on Agriculture. The bill is entitled "A bill to further promote the dairy industry of the United States," and its text is as follows:

"*Be it enacted, etc.*, That the sum of $20,000, or so much as may be necessary, be, and the same is hereby, appropriated, out of any money in the Treasury not otherwise appropriated, to enable the Secretary of Agriculture to further promote the dairy industry of the United States, and that the Secretary of Agriculture be authorized to expend this sum, through the Dairy Division of the Department of Agriculture, in cooperation with individual dairymen and State experiment stations in such States as, in his discretion, are most in need of such help."

In advocacy of this measure Representative LEVER has said:

"The plan is to have the Department of Agriculture station one of its dairy experts in each of the Southern States. The duty of this expert will be to furnish individual dairymen with expert information as to the best methods of dairying. He will teach the farmer how to select his herd with a view to getting the best results; he will show him how to build silos and barns, and he will teach him the best methods of crop rotation in order to get the most forage for his cattle."

It is understood that the expert will also hold farmers' institutes from time to time to encourage the dairy industry, and to spread as widely as possible the information at his disposal. Mr. LEVER says his measure has been indorsed by "nearly every leading dairyman in the South," and he feels convinced that if his measure passes the House and the Senate this section of the country will derive much benefit from it.

This is an opinion in which we heartily concur. It is highly desirable that some systematic effort should be made to develop the dairy industry in this and other Southern States. Dairy products may become a source of wealth in South Carolina. There is no sufficient reason why every cotton plantation should not have an intelligently conducted dairy attachment. Even should the planter not desire to do more than produce enough butter and milk for home consumption, the dairy would contribute to rendering him independent of cotton. That is the end to which our agricultural efforts should be directed most earnestly just now. As we have said on many occasions, when the southern planter is absolutely independent of his cotton crop, cotton will be king in fact as well as in name.

[The Item.]

Congressman LEVER'S efforts to interest the Agricultural Department in the promotion of stock raising and dairying in the South and to secure an appropriation of $25,000 for carrying on the work is in accord with his desire to be of practical benefit to the State he represents. The industrial development and prosperity of the South are dependent upon the profitable diversification of crops, and if through Mr. LEVER'S efforts the farmers can be taught to make a success of dairying he will add millions to the value of the lands of every Southern State. Money that is now paid the dairymen of the West for butter and cheese will be kept at home, while enormous amounts now spent annually for commercial fertilizers will be materially reduced. With Bermuda grass pastures and pea-vine hay, the South has the means to make stock raising and dairying pay a handsome profit, and all our people need is to be taught how to utilize their opportunities.

[Sumter Herald.]

Congressman LEVER has introduced a bill in Congress providing for the promotion of the dairy interest of the United States. This bill, if enacted, will be of inestimable value to this section. The dairy business could be made profitable in this section if our people only knew how to begin. Ignorance of methods is all that prevents this from being one of the dairy sections of the Union.—Cherokee News.

The text for the sermon to be preached to the southern planter is "Know thyself." Our soil and our conditions are admirably adapted to numerous profitable crops and farm enterprises that are nearly altogether neglected because those who should look after these industries and whose gain would be the income therefrom are ignorant of the possibilities of their lands and their hands.

[The Record, Rockhill, S. C.]

FOR DAIRY INSPECTION.

Representative LEVER, of South Carolina, has introduced a bill in the National House of Representatives, entitled "A bill to promote the dairy interests of the United States." The purpose of the bill, when enacted into law, is to have dairy experts stationed in each of the Southern States by the National Department of Agriculture, whose duty it will be to furnish individual dairymen with expert information. Mr. LEVER is on the right track, and we cordially indorse his efforts along the line of better dairy methods.

The question of pure milk is one that is very close to every family in the land, and anything that will help to that end ought to have the indorsement of everyone.

[Fairfax Enterprise.]

This bill of Mr. LEVER'S is a valuable one, and if passed is full of possibilities for South Carolina. The dairying business is almost a dead letter in our section, yet capable of being developed into a powerful and paying industry.

Mr. LEVER'S bill means a large appropriation to be used in the South for the purpose of putting a dairy expert in an experiment station who will teach others the best methods of dairying. This expert will teach individual dairymen how to select milch cows, how to build cow houses, and how to make butter—a kind of knowledge which would vastly help in South Carolina.

[Bamberg Times.]

MR. LEVER'S DAIRY BILL.

Representative LEVER has introduced a bill to further promote the dairy industry in the United States. He has received a favorable report on the bill so far, and the chances are that his efforts will not be in vain. If this bill becomes a law each and every section of the country will be benefited.

Congressman LEVER should have the hearty cooperation of every Representative in his efforts to get this bill through, and we feel sure that he will. If there is one thing that needs improving it is the dairy business.

The bill referred to provides that the sum of $20,000, or so much as may be necessary, be expended for this purpose, and that State experiment stations be located in such States as is neecssary, so that individual dairymen may be furnished with expert information as to the best methods of dairying.

[The State (South Carolina).]

HOW SOUTH CAROLINIANS LOSE MILLIONS.

Why should not the millions of dollars being sent out of South Carolina every year for corn, hay, and bacon be kept at home? There are some who contend that the South, being preeminently the cotton region of the world, should devote its energies to growing cotton and not bother with diversifications. For several reasons that argument is not good. It will be a long time before the demand for cotton will so increase as to tax even the present capacity of the South, and that capacity will each year be extended, so there will always be productive power greatly in excess of that required to produce the world's demand for southern cotton. And it must be always borne in mind that overproduction of cotton means poverty instead of affluence for the South.

Diversification and intensification should appeal to the southern farmer, and particularly to the South Carolina farmer. By the use of better implements and better methods in cultivation and the employment of time now wasted, supplies for which ten millions are annually sent out of the State to purchase can be produced at home, and probably not cost more than $2,000,000. So that all the money is kept in the State and four-fifths is profit. What would be the results of the investment of eight or ten million dollars in manufacturing enterprises in South Carolina each year? They would be wonderful. Let the State continue to make from sixty to seventy million dollars' worth of cotton annually; but why send half the profits on cotton to other States for supplies that can be produced on South Carolina farms without injuriously affecting the cotton yield? To produce in South Carolina all supplies that may be profitably grown will be equivalent to increasing annually the cotton yield by one-half and have that cotton sell for 10 or 11 cents a pound.

There is opportunity, as there is occasion, for a continuous campaign for production on the farm of farm supplies. The self-sustaining State that has besides a surplus "money" crop to draw in new financial blood must become a rich State. And the farmers who produce the

greatest amount with the least expense are the best farmers and must become the richest farmers. That greatest relative production will come with intelligent cultivation and the employment of modern methods. Because many of our farmers keep to old methods and old tools millions of dollars' worth of energy is wasted in this State every year.

[Keowee Courier.]

Congressman A. F. LEVER, of this State, has a bill before the National House of Representatives looking to the betterment of the dairying interests of this country. It carries an appropriation of $20,000 for the purpose of disseminating knowledge of this important industry by practical dairymen from the Department of Agriculture. Should the bill pass, South Carolina will be one of the States to receive the benefits of this bill. The dairy business is one that would help this State as much as anything else. We need something of this sort as a money-maker on the farm, and thus lessen the dependence on the cotton crop. We hope to see Mr. LEVER'S bill pass.

DAIRYING.

[The New Era.]

Among the many diversified industries which are bound to find their way in the South in the next few years none will be more profitable than dairying. This assertion is based, of course, upon the supposition that the dairy business will be conducted intelligently and systematically. Heretofore dairying has been carried on only in a limited way and without the skilled help of the expert, hence in many cases the experiment has been unprofitable. But the bill which Mr. LEVER introduced in Congress on January 20 would indicate that there is to be a new awakening of interest in this industry. The bill provides for the appropriation of $20,000 to promote dairying, the greater part of which will be spent in the South, since this section offers the best opportunities for its development.

In outlining the measure, Congressman LEVER says:

"The plan is to have the Department of Agriculture station one of its dairy experts in each of the Southern States. The duty of this expert will be to furnish individual dairymen with expert information as to the best methods of dairying. He will teach the farmer how to select his herd with a view to getting the best results; he will show him how to build silos and barns, and he will teach him the best methods of crop rotation in order to get the most forage for his cattle."

This we think worthy of the highest commendation. It will revolutionize dairying in the South and give it an impetus hitherto unknown. And what is better, it will make the business vastly more profitable. That it has already paid, we have practical proof here in our midst, but it can be made more so. It always pays to mix brains with a business.

In addition to the editorial indorsements given above many of the editors of the State personally wrote me, and I beg to submit a few of their letters:

CHEROKEE PUBLISHING COMPANY,
Gaffney, S. C., February 12, 1906.

Hon. A. F. LEVER,
House of Representatives, Washington, D. C.

DEAR SIR: I note with pleasure the introduction of your bill providing for the improvement of the dairy industry in the United States. In my opinion you are working in the right direction. I believe if our people only knew how they could make this section one of the greatest dairying sections in the land. I hope you will be successful in pushing your measure through. Help our farmers to diversify and become independent. Nothing but cotton ruins both the farmer and the farm.

Very truly, yours,

S. F. PARROTT,
Editor Cherokee News.

THE PEOPLE,
Camden, S. C., February 12, 1906.

Hon. A. F. LEVER,
Washington, D. C.

DEAR SIR: I note with pleasure the introduction of a bill by you in Congress appropriating $20,000 to promote the dairy interests of the United States, and hope it will pass. While the amount of the appropriation is small, it is a step, even if a tardy one, in the right direction.

Success to you in this, as well as in the several other efforts you are making to better existing conditions.

With kindest regards, I am, yours, truly,

W. A. SCHROCK.

THE STANDARD,
Saluda, S. C., February 15, 1906.

Hon. A. F. LEVER, M. C.,
Washington, D. C.

DEAR SIR AND FRIEND: I beg to tender my indorsement of your dairy bill. We are very much in need of an advance move along this line, and I hope you will be successful in carrying your bill through.

Sincerely,

A. B. CARGILE,
Editor and Proprietor.

THE PEE DEE ADVOCATE,
Bennettsville, S. C., February 17, 1906.

Hon. A. F. LEVER,
Washington, D. C.

MY DEAR SIR: I have read your bill to promote the dairying interests of the country and hope you will be successful in pushing it through. I am sure it would be of great benefit to the South.

Very truly,

R. L. FREEMAN.

THE HORSECREEK VALLEY NEWS,
Warrenville, S. C., February 17, 1906.

Hon. A. F. LEVER,
House of Representatives, Washington, D. C.

DEAR SIR: I notice that you have introduced a bill (H. R. 12612) "to further promote the dairy industry of the United States."

I heartily indorse this bill and hope to see it enacted into law. I think it would be of great benefit in teaching dairymen the best methods of the business. It would give the dairy business a new impetus in this State, as it would demonstrate the great possibilities of this important industry to our citizens.

I am, yours, very truly,

G. R. WEBB, *Editor.*

BAMBERG, S. C., *February 12, 1906.*

Hon. A. F. LEVER,
Washington, D. C.

MY DEAR SIR: I think your bill in regard to the dairy industry should be passed, as it would better the dairy business in every State.

Wishing you success in this matter, I am,

Yours, sincerely,

WILEY D. ROWELL,
Manager Bamberg County Times.

THE LANTERN,
Chester, S. C., February 12, 1906.

Hon. A. F. LEVER, *Washington, D. C.*

DEAR SIR: I hope that you will push successfully the bill "To further promote the dairy industry in the United States." Our State is exceptionally adapted for dairying, and we have almost no development along that line. Our people need their eyes opened as to what could be done, and they need instruction and training.

With best wishes, I am, very truly, yours,

J. T. BIGHAM.

THE RECORD,
Rock Hill, S. C., February 12, 1906.

Hon. A. F. LEVER, *Washington, D. C.*

DEAR SIR: I would like to add the indorsement of the Record to the bill which you have introduced in Congress to promote the dairy industry of the country. That supervision of some kind over this important necessity is needed ought to be apparent to everyone. I hope your bill will speedily become law.

Truly, yours,

C. K. SCHWRAR,
Editor Record.

SPARTANBURG JOURNAL,
Spartanburg, S. C., February 12, 1906.

Hon. A. F. LEVER,
House of Representatives, Washington, D. C.

DEAR SIR: I desire to commend unreservedly your bill to promote the dairy industry, and I hope that you will be successful in securing its enactment into law. Great good will be done our farmers by having them properly instructed in this useful and profitable industry, and the comfort and convenience of the public generally will be largely advanced by increasing the supply of pure and wholesome dairy products. The appropriation asked for is quite small in view of the great benefits that will flow from this measure, and I am sure that the committee and Congress will take a favorable view of it.

Yours, truly,

CHAS. H. HENRY,
Editor Spartanburg Journal.

SUMMERVILLE NEWS,
Summerville, S. C., February 13, 1906.

Mr. A. F. LEVER, M. C.

MY DEAR SIR: I have noted with much interest the introduction of this bill. The only regret, it seems to me, is that it provides for so small an appropriation. I would say in this connection that, in my opinion, the opportunities for the development of this dairy industry all through the coast region of this and neighboring States can scarcely be excelled. As you well know, there are to-day hundreds of thousands of acres of natural pasture lands that are simply going to waste. On these lands milk and beef cattle can be kept in fine kelter for six months in the year on pasturage alone.

Outside of the sea islands, close around Charleston, this industry is practically unknown. In my own town until quite lately there has not been a single dairy in existence. I hope very much that your bill will go through. It is a move in the right direction. The development of the dairy industry will, I believe, be of inestimable value to all of our people. I might write a great deal more on this interesting subject, but it is hardly necessary to do so. The wisdom of such a measure as you propose must appeal to the intelligence of everyone.

With kind regards,

I am, yours, sincerely, W. R. DEHON.

OFFICE OF THE NEW ERA,
Darlington, S. C., February 11, 1906.

Hon. A. F. LEVER,
Washington, D. C.

DEAR SIR: To my mind this is a most important measure. The appropriation of $20,000 for the encouragement of dairying will do untold good, especially in the South, where this industry is just in its incipiency and where there are such wonderful opportunities for its development. There are several dairy farms in the Peedee section of South Carolina, but none of them have been made profitable, for the simple reason that they have not been properly conducted. A dairy expert could, and would, very soon revolutionize dairying in this section of the country. Our people are becoming more and more interested in this branch of business, but they are by no means conversant with the best methods to be pursued in its successful development. It is to be hoped, therefore, that this bill will become a law and that the appropriation will be made for the furtherance of this extremely worthy cause. You certainly have the indorsement of all the dairymen in South Carolina in this laudable undertaking, as well as that of all the right-thinking people in all parts of the country.

Yours, very truly, A. J. BETHEA.

THE CLINTON CHRONICLE,
Clinton, S. C., February 12, 1906.

Mr. A. F. LEVER, M. C.,
House of Representatives, Washington, D. C.

DEAR SIR: Permit us to express our interest in your bill to promote dairy industry in the United States. Nothing is more needed for that industry in the South than information. Our dairy farmers need to be educated in the care of cattle and the selection of breeds and the preparation of the product for the market.

We believe that considerable money can be very wisely spent by Congress along that line, and hope that your bill will be passed.

Yours, cordially,

J. F. JACOBS.

THE UNION TIMES,
Union, S. C., February 13, 1906.

Hon. A. F. LEVER, *Washington, D. C.*

DEAR SIR: Yours of the 9th instant, with reference to the bill introduced by you, "to further promote the dairy interest of the United States," received to-day. In reply I beg to say that such a bill, if it should become a law, would unquestionably go a great way toward the building up of the dairy business. There is no enterprise or industry that stands greater in need of vital information looking to its proper conduct in order to make it a real success and promote general good throughout the United States. There are within this city and suburbs about fourteen dairies all managed and conducted in a most crude way simply for the want of proper instruction and knowledge of the business necessary for its success. Your bill will meet a long-felt want in this matter. We wish you success.

Respectfully,

JNO. P. GAGE,
Editor Union Times.

THE YORKVILLE ENQUIRER,
Yorkville, S. C., February 12, 1906.

Hon. A. F. LEVER, *Washington, D. C.*

DEAR SIR: I have the honor to acknowledge the receipt of your favor inclosing a copy of H. R. 12612 and to say that in my opinion the dairy interests of this locality are sorely in need of just such help as can only be expected from the Government. The dairy business of the South can be developed wonderfully, and it will be developed under proper instruction.

Thanking you for your favor, I am, with the kindest regards,

Very truly,

W. D. GRIST,
Editor Yorkville Enquirer.

KEOWEE COURIER,
Walhalla, S. C., February 12, 1906.

Hon. A. F. LEVER, *M. C.,*
Washington, D. C.

DEAR SIR: We are pleased to see that you have introduced a bill carrying an appropriation of $20,000 to further promote the dairy industry of the United States, said sum to be expended through the dairy division of the Department of Agriculture, in cooperation with individual dairymen and State experiment stations. The dairy business in the Southern States is comparatively new, and with us may be considered as an infant industry. Still we believe the advantages of the Southern States for this line of industry are very great indeed, and when once properly utilized will be of untold benefit to our people. Hence we heartily indorse the purpose of this bill. It is a small beginning, it is true, but it is a start in the right direction and may be the means of instructing our people as to the possibilities of the dairy business and the material success that may be achieved therein.

Very truly, yours,

KEOWEE COURIER.
Per D. A. SMITH.

The individual dairymen's interest is shown in the few letters which I insert:

INGLESIDE FARM,
Athens, Tenn., January 27, 1906.

Hon. A. F. LEVER, *Washington, D. C.*

DEAR SIR: I have yours 25th, 1906, and a copy of your bill, H. R. 12612. The dairy industry in the United States, and especially in the South, is in its infancy, and needs all the encouragement and protection Congress can legitimately give it.

The amount seems quite inadequate for the purpose, yet if it could come to the Southern States that were excluded, largely through the Department at Washington, from participation in the great dairy-cow demonstration at St. Louis last year, it would greatly encourage our people. You know the States below the "fever line" were shut out of that national demonstration. Wishing you success, I am,

Very truly,

W. GETTYS.

P. S.—My friend, Mr. HENRY of Connecticut, ought to help you in this.

HAMMOND, GA., *February 7, 1906.*

Hon. A. F. LEVER, *Washington, D. C.*

DEAR SIR: * * * We are a young dairying section destined to be to New Orleans what Orange County is to New York. Our great want is the knowledge of how to decrease the cost of production. Any money spent teaching us the solution of this question will be the most telling move that money can make. Your idea of working with the State experiment stations is good for those of us who read and keep in touch with the progress of the day. Better still is your idea of having an expert come in contact with the individual dairy farmer. The average dairy farmer—with us at least—is reached this way as by no other.

I am fully aware that the more economical production of milk by all will eventually lead to excess of milk production and consequently to the depression of the price of milk. I have seventy-five producing animals and am laying plans to double this number. But by lessening the cost of production we can meet the cut on price and enter upon butter making and other by-products, and be limited in production only by our power to place our article on the world's market.

Hence I say if this money is to be spent teaching us how to produce with economy you can spend it in no better way.

Wishing to cooperate with you, I am,

Yours, with a local point of view, W. W. NOTT.

NEW ORLEANS PURE MILK COMPANY (LIMITED),
New Orleans, February 2, 1906.

Hon. A. F. LEVER,
House of Representatives, Washington, D. C.

DEAR SIR: Your bill (H. R. 12612) to enable the Secretary of Agriculture to further promote the dairy industry of the country, in our opinion is exceedingly important and would be a great help to the Southern States. Our State has just started in the dairy industry, and our individual dairymen need the help and advice that the Government could give them through its experts. We do not think that there is a more worthy undertaking, nor one that will mean more for our people, and we hope that you will succeed.

With best wishes, we remain,

Yours, very truly,

NEW ORLEANS PURE MILK COMPANY (LIMITED),
Per GEO. A. VILLERE, *President.*

CONSOLIDATED ANTHRACITE COAL COMPANY OF ARKANSAS,
Spadra, Ark., January 29, 1906.

Hon. A. F. LEVER, *Washington, D. C.*

MY DEAR SIR AND FRIEND: I notice that you introduced a bill in regard to the promotion of the dairy business in the South, which I wish to congratulate you on, and certainly hope that you get it through.

If there is any one thing that is neglected more than the dairy business in the South, I fail to know what it is.

Hope that the Members of the House of Representatives may see as you and I do and pass this on the first opportunity.

Let me hear from you occasionally how you are getting along with it.

Yours, truly,

R. D. DUNLAP, *President.*

RURAL FREE DELIVERY, No. 3,
Birmingham, Ala., January 29, 1906.

Hon. A. F. LEVER,
House of Representatives, Washington, D. C.

DEAR SIR: Kindly accept my thanks for your letter and copy of "bill to further promote the dairy industry of United States."

This is a subject that certainly needs more attention and knowledge, especially in the South.

The Northern States are undoubtedly further advanced on this part of agriculture.

I believe there are the greatest possibilities for this great industry in the Southern States, but we need more knowledge and intelligence to further its cause.

Speaking from a practical point of view, cooperation and dairy intelligence are what we seem to lack.

We need more study of its greatest factor, the cow; its breed, treatment, more knowledge of veterinary science, and practical laws that govern sanitation.

The latter point is one in which I think, as a general rule, we are very deficient. Dairymen generally do not seem to realize the importance of the sanitary conditions that are needed to make milk and its products really wholesome food.

They don't seem to comprehend the methods that promote sanitation, and this is one thing above all others that needs more of our care.

I think the plan of having a dairy expert in each State would be admirable. A man who could visit the dairymen and give them practical knowledge would make them take more interest and give them more intelligence on one of the most interesting and most important of agricultural pursuits.

Trusting you will have success and carry your point with full force,

Respectfully, yours,

DR. R. A. BERRY,
By GERALD W. HUMPHREY, *Manager.*

TALLADEGA, ALA., *January 27, 1906.*

Hon. A. F. LEVER,
House of Representatives, Washington, D. C.

DEAR SIR: Yours containing copy of a bill to further promote the dairy industry of the United States to hand. I heartily indorse the measure and hope you will have no trouble in getting it through. That industry is sadly in need of help in the Southern States.

With best wishes, I am,

Very truly,

B. B. SIMMS.

GEORGIA CHEMICAL WORKS,
Commerce, Ga., January 27, 1906.

Hon. A. F. LEVER,
House of Representatives, Washington, D. C.

DEAR SIR: I am in receipt of your favor of the 24th instant in reference to H. R. 12612, "A bill to further promote the dairy industry of the United States," and it gives me much pleasure to give my indorsement to the effort you are making to further the dairy industry of the country.

I hope you will succeed in having a favorable report from the Committee on Agriculture, and that this report will be followed up by enacting the bill into law.

Yours, truly,

W. L. WILLIAMSON.

MILLEDGEVILLE, GA., *February 6, 1906.*

Hon. A. F. LEVER, *Washington, D. C.*

DEAR SIR: Your favor of the 24th instant to hand and noted. In reply beg to say that I think you are working in the right direction. The South needs developing in dairying, and I believe we have a great future, and in any way that I can serve you I am yours to command.

Hoping that you will succeed in getting your bill and appropriation through, I beg to remain,

Yours, truly,

J. C. SHANKLIN.

As president of the Texas State Dairymen's Association I am in close touch with the dairy conditions of this section and know that the Department of Agriculture could, if it had available funds, greatly aid the development of this great industry, so well adapted to many sections of our country. I think your bill a good one and should receive hearty support. Dairying contributes greatly to the general welfare wherever it is developed.

Very truly,

W. R. SPANN,
President of Texas State Dairy Association.

HOUSTON, TEX.

There is no question but the dairying interest would be largely benefited, and in the South particularly this interest could be enormously increased if the people were educated even in a limited way as to the requirements of this industry. I cheerfully indorse your plan, and if I can be of any assistance to you call on me.

Yours, truly,

G. C. STREET.

SOUTHERN COTTON ASSOCIATION,
SOUTH CAROLINA STATE DIVISION,
Columbia, S. C., February 1, 1906.

Hon. A. F. LEVER, *Washington, D. C.*

MY DEAR SIR: I beg to say that I have just read H. R. bill No. 12612, introduced by you on January 20, an appropriation of $20,000 to promote the dairy industry of the United States. I beg to say it is a good step in the right direction, and with what experience I have had in the dairy business, that in cooperation with the Agricultural Department will aid very much the experienced as well as the inexperienced dairymen.

As you know, at this enlightened age we must have the latest and best of everything in order to succeed.

I wish to say again that I heartily indorse your bill and trust you will be successful in carrying it through.

Yours, very respectfully,
F. H. HYATT,
Treasurer Southern Cotton Association,
South Carolina Division.

SOUTH CAROLINA LIVE STOCK ASSOCIATION,
Pendleton, S. C., January 27, 1906.

Hon. A. F. LEVER, *Washington, D. C.*

DEAR SIR: Yours of the 24th with bill to hand. Had read it in the State a few days ago with a great deal of interest.

If you can get this appropriation, it would mean more to the South than anything else that has come her way lately.

Your plan is right in regard to having an expert visit the leading dairymen of the State. There is no State in the Union that has more natural advantages for dairying than South Carolina. All that is needed is proper development. I have been in the dairy business for twenty years. We have a herd of over 100 head of Jerseys.

If I can be of any service in this line at any time, do not hesitate to call on me.

When you are passing this way would be glad to have you stop over and see the farm.

Yours, truly,
B. HARRIS.

EASLEY, S. C.

About three years ago I became convinced that the raising of cattle along with our other farming operations was a necessity. Lack of a suitable market made butter making an undesirable undertaking; but if we could make cheese, a near market was not such a necessity. We opened the first cheese plant in this State. We met with a fair amount of success; but every step we took was an experiment, and experiments are costly, and had it not been that we were enthusiastic we would have given up the undertaking. But about ten months back Professor Webster, Chief of the Bureau of Dairying, visited our plant, and he with Professor Rawl, who is one of his assistants, so helped us by their encouragement, advice, and expert assistance that to-day you can see silos and up-to-date barns where there would have been nothing had they not visited us, and we are convinced that this undertaking, encouraged by their timely assistance, will be the means of developing a great industry in our State.

I would be glad for you to see Professor Webster in reference to these facts.

Most heartily do I approve of the bill.

Yours, truly,
C. H. CARPENTER,
Member of State Senate.

ROCKHILL, S. C.

DEAR SIR: I hope your bill will become law. We certainly need help in this country in the dairy business, as it is in its infancy and the people do not know enough about it to appreciate its possibilities. I am trying to establish a small plant myself, and wrote the Agricultural Department a few days ago if I could get an expert for a while to help me get underway, but it had no one to send me. Your bill is just the thing. I wish it was in force now.

Yours, etc.,
J. G. ANDERSON.

EASLEY, S. C.

We are interested in the first cheese factory ever started up in this State, known as the Georges Creek Cheese Company. We are now in our fourth year in the business, and we certainly know what it is to feel the need of information and advice such as only an expert in the business could give, and we most heartily commend your efforts along this line and hope you may be able to get your bill through and get the appropriation.

We think if our people only had more light on the subject they would engage in the business, and it would be better for them and better for the country. We have the finest dairy country on earth. All we have to do is to develop it along that line.

Yours, respectfully,
ELBERT E. PERRY & SON.

DILLON STORAGE COMPANY,
Dillon, S. C., February 8, 1906.

Hon. A. F. LEVER, *Washington, D. C.*

DEAR SIR: Your bill in Congress authorizing an appropriation of $20,000 for fostering and developing the dairy industry of the country, and particularly in the South, is highly indorsed by our people.

At a meeting of the Marion County Cotton Growers' Association, at Marion, S. C., on February 5, your bill before Congress was read, and those favoring resolution were asked to vote. More than one hundred representative farmers present unanimously voted favoring the passage of your resolution and not a single vote against it. We are beginning to appreciate that the all-cotton system is ruinous to the fertility of our section and to the prosperity of our association. We would like it demonstrated that money can be made in the dairy business, believing we could induce diversified farming in this section.

On February 6 we had a rally of cotton growers at Dillon, S. C., and your same resolution was unanimously adopted by about fifty representative farmers present. I was instructed to write you regarding adoption of said resolution.

Yours, very truly,
WADE STACKHOUSE,
President Marion County Cotton Association.

SOUTH CAROLINA LIVE STOCK ASSOCIATION,
Columbia, S. C., February 10, 1906.

Whereas a bill has been introduced in Congress by Hon. A. F. LEVER, of South Carolina, appropriating for the Department of Agriculture the sum of $20,000 to be used in the development of the dairy industry in sections where assistance is needed: Be it

Resolved, That this association expresses to Mr. LEVER its very hearty appreciation of the importance of this bill to South Carolina, as this State is greatly in need of assistance in this line.

B. HARRIS,
President South Carolina Live Stock Association.

WINNSBORO, S. C.

I am heartily in favor of anything that will encourage and stimulate the cattle and dairy industry in the Southern States, for on it depends the prosperity of the South. Without it the lands will soon become exhausted of fertility and rendered unfit for agricultural purposes. What a blessing it would be if every plantation would keep as many head of cattle as they raise bales of cotton.

I am glad to see the Division of Animal Industry in this country is beginning to see the necessity of awakening the farmers, especially of the Southern States, to the necessity of keeping more and better cattle, especially dairy cows.

I have been dairying for the past eight years, and find it very profitable, although I raise cotton averaging 100 bales each year. It would not be possible to make as much out of the land if I had not the cattle. My herd numbers about 100 head the year round. In winter I feed them cotton-seed meal and hulls, with pea-vine hay and corn stover. Milch cows do well on this feed, and young cattle grow nicely during the winter. By keeping milch cows I find a ready market for all of the hay, oat straw, and roughness raised on the farm by feeding to my cattle, and a splendid market for butter and cream, especially butter. Sell all I make, and could sell a great deal more, at 25 cents per pound the whole year.

Any information I can give you will be freely given, and hope you will use every effort to encourage the cattle and dairy industry in the Southern States, and especially in South Carolina.

Yours, truly,
SAM C. CATHCART.

OFFICE OF MADISON ICE AND CREAMERY COMPANY,
Madison, Ga., March 2, 1906.

Hon. A. F. LEVER,
Washington, D. C.

DEAR SIR: I notice that you have introduced in Congress a bill to appropriate $20,000 for the promotion of the dairy business in the United States. We wish to thank you for your efforts in our behalf.

Right now we are in need of just such an appropriation. Our business is small, not large enough to employ a high-priced butter maker. We have had a young man in training, and working off under a good butter maker. Where he worked he used a little different machinery, and we find now he is not competent to run our factory. A little assistance here in our factory by a Government expert would be of great assistance to our little business and enable us to go right ahead with it. I expect there are many other small creameries in the same fix, and the $20,000 spent by Congress would be worth that much in a year to the dairy industry.

Yours, truly,
MADISON ICE AND CREAMERY CO.

MULWEE DAIRY,
Pendleton, S. C., January 29, 1906.

Mr. A. F. LEVER,

DEAR SIR: Your letter inclosing copy of bill to further promote the dairy industry of the United States received, and will say I appreciate your efforts in behalf of same, for I believe it will be a great thing for the South. Wishing your bill success, I remain,

Very truly,
J. D. SMITH.

EASLEY, S. C.,
January 30, 1906.

Hon. A. F. LEVER,
Washington, D. C.

DEAR SIR: I think your bill a good one. Hope you will succeed in getting it passed. We need help in the dairy industry.

Respectfully,
C. J. ELLISON.

LOUISIANA STATE UNIVERSITY,
Baton Rouge, La., February 12, 1906.

Hon. A. F. LEVER,
House of Representatives, Washington, D. C.

MY DEAR SIR: I have your letter of February 3, with a copy of your bill—No. 12612. I think your bill is a very deserving one, and feel very sure that any money expended in this direction will be of great benefit to the dairy interests of the country.

I do not know of any way in which I could be of any specific assistance to you, as the dairy interests of this State are not organized in a way that they could take up the matter.

Wishing you success in your worthy undertaking, I am,

Very respectfully,
W. R. DODSON, *Director.*

HAMMOND, LA., *February 14, 1906.*

A. F. LEVER, Esq.,
House of Representatives, Washington, D. C.

DEAR SIR: In reference to your bill covering money to be used in promoting the dairy industry of the country, beg to say that I heartily approve of your move, and trust that the Government will see fit to spend a portion of the amount in the vicinity of Hammond, La., as this community is making strenuous efforts to build up the dairy industry upon scientific and modern basis.

Yours, very truly,
HALL, ALLEYN & CO.

THE MIDDLE GEORGIA COTTON MILLS,
Eatonton, Ga., March 8, 1906.

Hon. A. F. LEVER, M. C.,
Washington, D. C.

MY DEAR SIR: I have been asked by the Georgia Live Stock Association to write you, approving your House bill 12612. As one who has been for many years interested in dairying, I hope your bill will pass.

If the theory of appropriation can be justified at all on such lines, then your measure should meet with the success it merits.

With very kindest regards, and thanks for your position,

Respectfully,

B. W. HUNT.

GEORGIA EXPERIMENT STATION,
Experiment, Ga., February 12, 1906.

Hon. A. F. LEVER,
House of Representatives, Washington, D. C.

MY DEAR SIR: I have yours of the 3d, inclosing copy of bill of House of Representatives 12612. I have read the bill carefully and in response to your wish I beg to say that I think much good may result to the dairying interest of the South along the lines contemplated by your bill. Very much will depend upon the man or agents employed to do this work. My idea is that in each State, as a rule, and if possible, the man should be selected from among those who have made a success in the business and who at the same time is well qualified to tell what he knows and to enthuse hearers on the subject of dairying. I believe that such work ought to be conducted in cooperation with this station. I have a man in my own eye now who I think would make a capable person for this work, to wit, Mr. W. L. Williamson, Commerce, Ga. He is a successful dairyman, has the largest dairy plant in the State, has developed along all possible lines, is a good talker, and an honest, reliable man. We need a man to go through the State, call meetings of the farmers, and explain and unfold to them the advantages of dairy farming. Such a man, as I have already suggested, should be one who has made a success of it. He should be expected to cooperate with the Farmers' Institute work of the State and attend the various district institute meetings. He should be familiar with the cost of machinery and the manufacturers thereof and the best methods and best arrangements of dairy plants. The possibilities are very large in such field as would open out before a man charged with the performance of such duties.

I trust that you will be successful in pushing this bill through.

Very truly, yours,

R. J. REDDING, *Director.*

Federal Quarantine.

SPEECH

OF

HON. OSCAR W. UNDERWOOD,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, April 3, 1906.

The House having under consideration the bill (H. R. 14316) to further enlarge the power and authority of the Public Health and Marine-Hospital Service, and to impose further duties thereon—

Mr. UNDERWOOD said:

Mr. SPEAKER: I think the amendment I have proposed, making the provisions of the national quarantine law apply to the borders of Mexico as well as to the coast, is important to the carrying out of the purposes of the bill to properly guard the country against a yellow-fever epidemic coming overland from Mexico. As I read the bill, its terms are intended to protect us against yellow fever coming through a seaport, but it does not in any way protect against yellow fever coming into this country across the border. In other words, yellow fever often occurs in Mexico. There are two States and two Territories bordering on Mexico. The terms of the bill do not apply to yellow fever coming by land across the border of Mexico into Texas. Now, I take it——

Mr. HEPBURN. Mr. Speaker, if the gentleman will permit me, I will say that in the committee that same question came up, and an examination of the present statute was resorted to, and it was believed by all, I think, that the present statute is ample for that purpose.

Mr. UNDERWOOD. I think the present statute would be ample if it made the placing of quarantine stations along the border of Mexico mandatory; but I think the gentleman from Iowa will concede that the present law does not make the establishment of quarantine stations mandatory. This bill only differs from the law now on the statute books in the fact that it does make these quarantine stations at ports on the seacoast mandatory. Now, if you make them mandatory as to seaports, I say it is proper, in order to protect commerce and protect the health of the United States, to make it mandatory on the health authorities to establish these quarantine stations on land as well as at seaports, and I think from the reading of this bill it is very clear that that is not provided. For these reasons I think that this amendment should be adopted.

Mr. HEPBURN. If the gentleman will observe, this mandate only applies to this one anchorage at the Dry Tortugas.

Mr. UNDERWOOD. As I read the bill, I understood that it makes it mandatory that they shall establish a quarantine station wherever necessary on the seacoast; and I will call the attention of the gentleman from Iowa to this fact. The proposed law says:

The Secretary of the Treasury shall have the control, direction, and management of all quarantine stations, grounds, and anchorages established by authority of the United States—

Mr. HEPBURN. Read on. Line 20——

Mr. UNDERWOOD. Listen:

And as soon as practicable after the approval of this act shall select and designate such suitable places for them and establish the same at such points on or near the seacoast of the United States as in his judgment are best suited for the same.

And so forth. Now, that provides that he shall establish these quarantine stations. The present law does not require that he shall establish quarantine stations, but undoubtedly the proposed law does require him not only to establish a harbor of refuge at Dry Tortugas, but to establish quarantine stations wherever he deems them necessary to protect health at seaports; but it does not make the same provisions in reference to land, and it is the duty of this Congress to protect against yellow fever coming by land as well as by sea. Therefore I do not think it can possibly hurt the intendment of this bill, and it ought to be adopted if we propose to give the health service of the United States the power to control and regulate yellow fever coming into this country over land.

Now, Mr. Speaker, passing from the amendment I have offered to the bill itself, let us examine its provisions and see what changes it makes in existing law. The bill places the Federal Government in absolute control of the ports of the country, so far as quarantine regulations are concerned, making it the duty of the Government to establish quarantine stations whenever the exigencies of the public health require, and to establish harbors of refuge for infected vessels at the Dry Tortugas and three other places.

Under the present law the Government can establish quarantine stations when the State authorities request that it be done, but under this bill they must hereafter do so whether or not the State desires it.

The States may retain their present quarantine stations and service if they desire to do so or surrender them to the Federal Government, as in all probability they will do at an early date, as it will be unnecessary to maintain two systems of quarantine, and the Government stations and service must be maintained in any event at the cost of the General Government.

The bill further provides for an appropriation of $50,000 to carry its provisions into effect, and also undertakes to regulate interstate commerce to the extent of providing for the transportation of freight and passengers through a State, under such rules and regulations as may be prescribed by the Secretary of the Treasury, safeguarding the people along the line of travel by providing that only those can be carried who have been properly discharged and whose health and freedom from yellow fever have been certified to by the officers in charge of the Public Health and Marine-Hospital Service of the United States.

Now, Mr. Speaker, considering this bill from a practical standpoint, I can not see how I, representing a constituency in the Gulf States that may be threatened with a yellow-fever epidemic any year, can fail to vote for this measure.

For over a hundred years the quarantine regulation of foreign commerce has been left to the several States by the failure of Congress to exercise the power to regulate it vested in the General Government by the Federal Constitution. What has been the result? One epidemic after another has invaded the country, not only carrying death and destruction with it, but demoralizing the whole business interests of the Southern States and causing great loss to our people. After a trial for ten decades, has it not been fairly demonstrated that the State governments are unable to cope with this dreadful scourge and keep it out of the country? No matter how careful all the other States may be, if one relaxes her vigilance for a moment the dread disease has passed the outer gates of the country and become a common menace to us all. We have no power to reach or control the health regulations of our sister States, no matter how negligent they may be, but we do have a voice in the General Government and have as much right to demand of it the exercise of the powers vested in it by the Constitution—to "regulate commerce with foreign nations and among the several States and with the Indian tribes"—to protect us from a yellow-fever scourge coming from a foreign country as we have to demand protection from a foreign army invading our shores.

It has been demonstrated in recent years that the money and power of the General Government can control and stamp out yellow-fever epidemics, and it has been just as clearly demonstrated, after many years of trial, that the State governments are not only unable to wipe it out before a frost comes at home,

but are equally unable to keep it out of the country when the South American republics to the south of us are infected with it. With an epidemic probably facing us this summer, is it not folly to hesitate longer to call on the Federal Government to exercise the power it was given in the beginning for our protection?

Mr. Speaker, I shall not occupy the time of the House in discussing the constitutional questions involved. They have been clearly and ably discussed by others. To my mind the proposition is absolutely clear that we have the constitutional power to act, and that we should act at once for the protection of our homes and our people from the horrors of another yellow-fever scourge.

District of Columbia Schools.

SPEECH

OF

HON. THETUS W. SIMS,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Monday, April 23, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 18442) to fix and regulate the salaries of teachers, school officers, and other employees of the board of education of the District of Columbia—

Mr. SIMS said:

Mr. CHAIRMAN: I will take the floor in my own right, but I do not expect to occupy more than ten minutes. I wish to say, Mr. Chairman, that I do not claim any credit for framing this bill, because I was not a member of the subcommittee. I think the subcommittee, under the circumstances, has discharged its duty splendidly, and that too much can not be said in praise of the effort of the chairman of the subcommittee [Mr. MORRELL] for the days of hard work that he has put in on the measure. All I wanted to know was what do the people of the District of Columbia who patronize the schools want and what do the teachers of the District of Columbia want?

I want them to have what they think is best for themselves. I understand that this bill meets, in the main—in fact almost altogether—with their approval and is what they want. Therefore I did not give it very much consideration as to details, because I think that those most capable of judging of the details were to be trusted rather than any Member of this House, especially a Member who had not been a member of the subcommittee and had given no attention to the hearings.

Now, Mr. Chairman, I am going to move to amend this bill at the proper time, and I want to discuss the amendment in advance, as I do not want to use any time when it is offered. I want to be properly understood, and that is the reason why I take this time in general debate.

Never before have I said one word about the so-called "race problem," and I am not going to say anything about it now. I do think that the effort of good, sincere, patriotic men and women of both races, who work and talk not, are doing more to solve what is called the "race problem" in the United States than anybody else. I hope that nothing I say at the present time will be construed as wanting to drag in here and discuss something that I think discussion on this floor oftener hurts than helps. Here is the amendment I am going to offer: On line 10, after the word "woman," I will move to strike out the words "of the nine members there shall be three of the colored race, one of whom shall be a woman." I am going to move to strike that out in all good faith, and then, if that motion is voted down, I am going to move to strike out, in line 11, the word "colored" and substitute therefor the word "negro;" and make the same motion as to every part of the bill wherever the word "colored" appears. I want to say that I do this out of no disrespect to the negro or the colored race, because it is an accurate and proper description. The words "colored race" embraces all the colored races—yellow, brown, and black. I know that the committee had in mind in using the word "colored," negro, not "nigger," as some people incorrectly call it. There seems to have been on the part of the negroes of the United States an idea that the word "negro" was disrespectful and offensive, and therefore they have, in large part, adopted the use of the word "colored," and the white people very properly, out of respect to them—to show a proper feeling toward them—have adopted that form of expression in speaking of them; but, Mr. Chairman, the day has passed when that kind of a thing is any longer necessary.

Mr. WANGER. I would like to ask the gentleman a question.

Mr. SIMS. I will yield to the gentleman.

Mr. WANGER. If you strike out the word "colored" and insert the word "negro," wouldn't the person have to be a full-blooded African?

Mr. SIMS. No; he would have to be of the negro race.

Mr. MURDOCK. I would like to ask the gentleman a question.

Mr. SIMS. I will yield to the gentleman.

Mr. MURDOCK. You say the word "colored" refers to all the races not white?

Mr. SIMS. I say it is descriptive of all the races—brown, black, and yellow.

Mr. MURDOCK. Did the gentleman ever hear of an Indian being called colored?

Mr. SIMS. He is called a "red man."

Mr. MURDOCK. Yes; he is called a "red man."

Mr. SIMS. And isn't a red man a colored man? [Laughter.]

Mr. Chairman, I do not want to get away from my purpose in this. If the committee means "negro," let us use the accurate form of expression. Though I doubted the possibility of having a reply in time, I wrote a letter to Dr. Booker T. Washington, at Tuskegee. I have not yet received a reply. No doubt I shall, and I shall ask permission of the House to put his reply to my letter in the RECORD as a part of my remarks when it comes; and I shall now ask the Clerk of the House to read a copy of the letter I wrote to him, so that his reply will be understood when it is received.

The Clerk read as follows:

WASHINGTON, D. C., *April 20, 1906.*

Prof. BOOKER T. WASHINGTON,
Tuskegee, Ala.

DEAR SIR: In a bill now pending before the House of Representatives, relative to the schools of Washington, D. C., it is provided that the board of education shall consist of nine persons, three of whom shall be of the "colored race." I have insisted before the Committee on the District of Columbia, being a member of that committee, that if it is the intention of the bill that three negroes shall be appointed the words "of the colored race" are not properly and definitely descriptive; that the words "negro" or "negro race" should be used; that the words "colored race" might mean yellow, brown, or black, and the position can be filled by the appointment of Indians, Chinese, Japanese, Malays, Sandwich Islanders, or any persons not of the white race.

Some members of the committee claim that to use the words "negro" or "negro race" is offensive, and, out of respect for the feelings of what they call the "colored race," they wish to use the very words "colored race." It is my contention that the word "negro" is the accurate form of expression, definite in terms, and is not and should not be offensive to those of our people described by the term I insist on using. I will be glad to have a letter from you, giving your views as to the proper word to be used. I disclaim all intention of being offensive, but only insist that in legislation, especially by Congress, the word "negro" is more accurate and scientifically correct than the words "colored person or race." I assure you that I have nothing but the kindliest feeling for the negroes of the South, North, or elsewhere, and do not wish to do anything that is offensive or not in good taste or would be so regarded by your race. It is my intention to use your letter in reply to this on the floor of the House when said bill is up for discussion, and however lengthy your reply may be, or whatever it may be, it is my intention to place it in the CONGRESSIONAL RECORD with my remarks.

Very respectfully,

T. W. SIMS.

Mr. SIMS. Mr. Chairman, I ask unanimous consent to put the reply to that letter in when it comes. I assure everyone here that I do not know what it will be, but I want to call attention to another matter in connection with this discussion. Secretary Taft, one of the ablest and greatest men of this country at the present time, a student and an educated man, a graduate of Harvard, whose learning can not be questioned, whose sincere interest in the welfare of the negroes of the United States can not be questioned, was invited to and did deliver an address at Tuskegee Institute on April 4 of this year, which address I now hold in my hand. It is a splendid production, and I shall ask unanimous consent to include it in my remarks, because it will illumine the CONGRESSIONAL RECORD. It is a valuable contribution to this discussion. Addressing a negro institution, presided over by negro professors and composed of negroes altogether, practically a negro audience, Secretary Taft uses in that address the words "negro," "negroes," and "negro race" seventy-five times. He uses the words "colored" or "colored race" four times. I think his example should be commended and should be followed. It is true that if I were talking to a lot of negroes who believed and regarded it as offensive to be called "negroes" I would use the words "colored race;" but in legislating, forty-one years after they have had their freedom, we certainly ought to use that form of expression which is correct, which means what is intended to be meant by this committee. Mr. Chairman, I do not want to take up the time of the House. As I say, I shall make a motion to amend, and I shall do it out of nothing but the kindliest spirit, because it is time that we did use that form of expres-

sion with reference to this race that means that race exclusively and will mean it for all time to come.

Mr. HOLLIDAY. Mr. Chairman, will the gentleman yield for a question?

Mr. SIMS. Certainly.

Mr. HOLLIDAY. As I understand, the gentleman suggests to strike out the provision for three members to be colored. I will ask the gentleman if he proposes to insert the word "negro" in the first instance where it occurs?

Mr. SIMS. No; I shall move to strike out and make no subsequent motion should that motion prevail, as I prefer that to the other; but if that is voted down, then I shall move to strike out the word "colored" wherever it appears and insert the word "negro."

Mr. HOLLIDAY. The gentleman proposes to strike that out?

Mr. SIMS. Yes; for the reason that I do not think it ought to be necessary in this national capital in legislating to specifically provide and make it a qualification to office that a man should be colored. The gentleman from Pennsylvania [Mr. MORRELL] offered and has pending an amendment, and of course my amendment would apply to it as far as the word "colored" is used; but that amendment provides that the white portion of the board of education should appoint the white teachers and the colored portion the colored teachers. Of course I most heartily support that amendment.

I will print, as a part of my remarks, the following:

ADDRESS OF WILLIAM H. TAFT, SECRETARY OF WAR, DELIVERED AT THE TUSKEGEE INSTITUTE, TUSKEGEE, ALA., WEDNESDAY, APRIL 4, 1906.

LADIES AND GENTLEMEN: When Mr. Washington did me the honor of asking me to be present on this occasion at the twenty-fifth anniversary of the founding of the Tuskegee Institute, I knew that I would be so overwhelmed with official business as to make it unwise for me to accept; but the intense interest that I have had in the problem in which the maintenance of this institution plays so important a part, and the profound respect I entertain for Mr. Washington as a leader of his people, led me to ignore all other considerations, and to embrace the opportunity to bear witness in this celebration of an epoch in the history of a race and of a nation.

Under widely different circumstances and for a much less length of time, and in a much less important capacity, as far as real influence upon the movement is concerned, it has been my lot to take part in an attempt to aid and lead on to better things a far distant people whom Fate has intrusted, for a greater or less period, to the guidance of the American nation, and this recent experience has doubled my sympathy in Mr. Washington's work. We have learned much from Mr. Washington's life and teachings to aid us in our educational work in the Philippines.

This great seat of useful learning was founded twenty-five years ago to elevate a race. No topic would be appropriate on such an occasion as this which did not relate to its welfare and future. Brought to this country against their will, for two hundred and fifty years the negroes lived in slavery. Then a bloody four years' war was fought, resulting in their emancipation. Thereafter were adopted into the fundamental law of the country three amendments intended to effect a change for the negroes from a condition of legal servitude to that of a full enjoyment of the rights of life, liberty, and property, and protection from legislation which should exclude them from political power and influence by reason of their color or previous condition of servitude. It seems to me a convenient method of discussing the negro question and considering the future of the negro race, to take up the operation and effect of these great war amendments, and consider what of benefit they have proven to the negro and what security they are likely to offer to him in his struggle upward toward better conditions. Care should be taken in discussing the issues which the subjects I have proposed suggest, lest one may uselessly stir up the embers of a controversy that has seriously affected the welfare of the whole South. I shall hope to avoid this as much as possible by dealing only with present conditions and by not seeking to place the blame for the evils that have had to be met. I wish to consider the subject only from the standpoint of the negro race.

The thirteenth amendment, which abolishes slavery, needs but little discussion. It gave to the negro the boon of freedom, but it left four or five millions of people, not 5 per cent of whom could read or write, and all of whom had been dependent upon others for what they ate and wore and did, as children turned loose in the world. Their emancipation was of course the first great step in their elevation as a race, but it involved hardship and suffering and discouragement as all great changes in existing conditions must to those who are the subject of them, even though the changes are ultimately of the highest benefit. Enactment and enforcement of this amendment was of course essential to the progress of the negro. The thirteenth amendment has accomplished its purpose. It is true that in some parts of the South a system of servitude for debt has been creeping into vogue, but the decision of your own able and upright Judge Jones of the Federal court and of the highest tribunal of this country that peonage may be reached and suppressed by the enforcement of Federal penal statutes has made its continuance an impossibility.

The fourteenth amendment secured to the negro the equal protection of the laws of the State in which he lived, and due process of law in any deprivation of his life, liberty, or property under State authority. This is the amendment which, second to his emancipation, has become the most important in his development. Living in the same community in which he had been a chattel, the great danger was that legislation would be enacted which might prevent him from enjoying the same benefit from the guaranties of life, liberty, and property that were extended to his white fellow-citizens. While the importance of this amendment in securing to the negro the same judicial procedure as the white man enjoys in criminal trials and issues involving his liberty was great, it was equally important to the negro in that it assured to him those economic rights in the enjoyment and pursuit of which lies the hope of his future progress. The right of property has played quite as important a part in the development of the human race as the right of personal liberty. Indeed, the two rights are so associated in the struggle which man has had to make in taking himself out of the category of the lower animals and lifting himself to his present material and spiritual elevation that it is hard to separate them in an historical discussion. It seems to me that the history of the right of property and its effect upon civilization suggests a useful analogy for discussing the lessons the negro race must learn in its struggle upward. After man became his own master, the next step in his progress was the conception and establishment of the right of private property. When he began to live in a social state with his fellows, he recognized, dimly at first, but subsequently with greater clearness, that the laborer should have and enjoy that which his labor produced. As his industry and self-restraint grew, he made by his labor not only enough for his immediate necessities, but also a surplus which he was able to save for use in aid of future labor. By use of this surplus the amount which each man's labor would produce was thereafter increased. As natural justice required that the laborer should enjoy his own product, so it came to be equally well recognized that he whose savings from his own labor increased the product of another's labor was entitled to enjoy and share in the joint result, and in the fixing of their respective shares was the first agreement between labor and capital. What one had the full right to enjoy, he had the right to give to another to enjoy, and so it happened that when a man was about to die he assumed and was accorded the right to give to those whom he wished to enjoy it that which was his. As the natural parental instinct dictated provision for those whom he had brought into the world, it first became custom, and then law, that if he made no express disposition of what he had the right to enjoy it should become the property of those for whose existence he was responsible. In this way the capital saved in one generation was received by succeeding generations, and its accumulation for producing purposes was made much more probable. The certainty that a man could enjoy as his own that which he produced or saved, and that it could be enjoyed after his death by those to whom he was bound by ties of natural affection, furnished the strongest motive for industry beyond what was merely adequate to obtain the bare necessities of life, and was the chief inducement to economy and self-control. The institution of private property with all its incidents is what has led to the accumulation of capital in the world. Capital represents and measures the difference between the present condition of society and that which prevailed when men lived by what their hands would produce, without implements or other means of increasing the result of their labor—that is, between the utter barbarism of prehistoric ages and modern civilization. Without it the world would still be groping in the darkness of the tribe or commune stage of civilization, with alternating periods of starvation and plenty, and no happiness but that of gorging unrestrained appetite.

Capital increased the amount of production. The cheaper the cost of production, the less each one had to work to earn the absolute necessities of life, and the more time he had to earn its comforts. As the material comforts increased, the more possible became happiness and the greater the opportunity for the cultivation of the higher instincts of the human mind and soul. This material progress in the human race, covering centuries and cycles of time in the slow process of evolving as an essential principle in the development of the human race the right of private property, was attended by violence and fraud and cruelty and oppression, but in the end it had a profound educational effect upon the human race and established in the human heart and soul the virtues that have made man the superior being that he is. The struggle implanted in the human breast the virtue of providence, the restraint of the appetite of the present in order that there may be left that with which the future can be enjoyed, the lesson that the pains and thoroughness with which a work is done increases the product and enlarges the source of future supply; and, finally, the recognition of the fact that the only peaceable way by which a man can really enjoy the fruits of his own labor is to recognize in every other the right to enjoy the fruits of his. The struggle gave us the virtues of providence, of industry, and of honesty, and with these basic elements of character all the other traits and virtues that we admire in man have been developed. The whole human race has had to fight its way upward to modern civilization and its beneficent incidents by a struggle so arduous and so long continued that we can no more appreciate it than we can fully realize the time taken to create the geological formations. In that struggle personal liberty and private property have been the chief causes of our present triumph over the savagery of prehistoric man. In the elevation of the human race I should be the last to exclude the influence of religion, but even its influence was vastly greater upon a mind with the sturdy virtues of providence and industry and honesty than upon those in a barbarous state.

Every race which from a condition of ignorance or semibarbarism aspires to something higher and greater, if it attains success, must, as it gropes its way toward the light, have repeated in its history a struggle involving the same kind of obstacles, of hardships, and of bitter lessons as those I have described. Of course the analogy between the struggle of the whole human race toward civilization through eons of time and that of the negro race toward something better since its freedom from slavery is imperfect, for the reason that the negro race had during its two hundred years of slavery a close association with the white race and was necessarily and greatly influenced by embracing Christianity and by the environment of civilization, and so had such admirable qualities as were exemplified by the fidelity of the slaves to the families of their masters in the civil war. But the economic education which the negro was subjected to immediately after his freedom likened itself to that of the longer and harder struggle through which the human race had to pass from its infancy until the principles of modern society were recognized and enforced. The negro was brought to this country against his will and subjected to a bondage which, while it improved him in many ways, when ended left him in a condition of dense ignorance, of utter irresponsibility, with a sense of helpless dependence on some one else. His life as a slave had taught him that he had to labor, not in order that he might enjoy the product of his labor, but only because he was under the command of one who had the power to compel him to labor. He received his food and wore his clothing, not because he had earned either by the work of his hands, but because the master gave it to him. In the state of slavery his master owed him a living. In theory, when he became his own master, he owned himself a living. In practice, however, the traditions of the status of slavery could not be thrown off by the mere adoption of a constitutional amendment. The traits and the weaknesses which were the result of two centuries of bondage were not to be changed in the twinkling of an eye.

And thus with the lack of providence and with little understanding of the rights of property we find the negro after his emancipation in much the condition with respect to self-support and self-elevation that

the primeval man was. It is true that all about him he could read the lessons which it was necessary for him to learn in the customs and conventions and habits of his white brethren. But it is one thing to see principles applied and another to make them a part of one's own life. Of course life did not change with him, in outward appearance, with his emancipation. The crops were planted and were gathered as in slavery days; he lived in the same house and on the same food and was clothed in much the same way. But as the obligation to labor which he had upon him as a slave had gone his tendency to enjoy his freedom in laziness was very strong, and it was not until the pinch of hunger and of the cold and of general misery pressed him again to labor that he dimly learned the lesson that freedom carried with it responsibility and obligation as well as enjoyment of the pursuit of happiness.

The people of the United States, especially those in the North, who had played a large part in the emancipation of the negro, were keenly conscious of his helpless condition, and great effort was made, not only by the adoption of constitutional amendments and the enactment of laws to secure to him the rights and privileges which were thought necessary to enable him successfully to meet and overcome the obstacles to his progress, but also large funds were contributed to assist him affirmatively on his way to better conditions by giving him an opportunity for education. Of course, primary education was the first essential, particularly in the rising generation, to any hope of progress. But the many movements to confer on the negro the higher academic and literary education which were inaugurated were not best adapted to securing the proper foundation for the upbuilding of the race. The homelier virtues must be instilled in a people before they are ready to receive, with advantage, merely literary or scientific education or can make the best use of it. Where a race which is denied equal opportunity and lives in contact with a people more fortunate in having had centuries of educational experience to help them upward is suddenly given freedom and opportunity to improve itself, the first impulse is to imitate the more fortunate race, not in the practice of the virtues which really lie at the base of its progress and success, but in those more showy things which are supposed to indicate its high intellectual development. In other words, the disposition is to build the top story before the foundation is laid.

The 4,000,000 slaves emancipated after the war lived in the South. They had furnished the labor of the South before the war, and if the South was to be developed they were in a position to furnish the labor needed in the development. The great wealth of the South was then, and still is, in agriculture. There has also been a wonderful growth in mining and manufactures, in all of which labor was a pressing need. The opportunity of the negro lay, first, in the skill of his hands as a laborer and in his industry as a tiller of the soil, and second, in his capacity to save from his earnings sufficient to enable him to accumulate capital to buy land and establish his economic independence. Thus could he make himself useful to the community in which he lived and secure the respect which would certainly come to one showing himself indispensable to the growth and prosperity of the South. Thence would flow all the incidents of power and influence to which he aspired. In these efforts he would encounter little if any opposition from the southern white. There has been no complaint that the white men of the South have objected to the negro as a laborer or as a farmer or as a business man, if his labor was efficient, his husbandry was good, or his business methods were proper. In this economic struggle in the South the disadvantage of racial prejudice was not great, and here along the lines of least popular resistance lay the future successful development of the negro.

In pursuit of his economic rights and opportunities, he enjoyed the equal protection of the laws and the right of private property secured to him by the fourteenth amendment. This was the ladder up which he could climb to that position which no prejudice of race or previous condition of servitude could prevent his attaining.

When the struggle of the negro in the decade following the war was going on, there was growing to manhood a leader of his people who saw more clearly than the rest of his race that the negro could be one of the greatest factors in the development of the whole South if only he could be led into habits of industry and saving and could be induced to appreciate the dignity and great independence of honest and efficient labor and good husbandry. Thus might be gradually widen the field of his activity and hasten for his race the equality of opportunity which it is the aim of our civilization to produce. He knew well the history of the wrongs of his race and that a formidable indictment could be framed against the whole white race for its treatment of the negro. But how would it profit the negro to dwell on the past or to rouse again the enmities of a former era? A prejudice is a fact; complaints and arguments will not wipe it out; it must be dissolved by the working of natural forces, and there is nothing so effective in moderating a prejudice as a pecuniary profit in ignoring it.

In his autobiography, which reads like the epic poem of a people, he tells how as a boy he walked and worked his way from his home in West Virginia to Hampton, where, in the great school founded and maintained by General Armstrong, and now continued in wide usefulness by Dr. Frissell, he was fitted for the task which he is so nobly discharging, of preaching an evangel to his race which will lead it on to life and light. If Hampton School had never done anything but graduate Booker Washington, it would have justified its existence. He saw clearly that the only hope of his race was economic independence, and he projected in his mind the establishment of an institution by a negro, taught by negroes, maintained by negroes, in which there should be combined in proper proportion the mental education and the education of the hand; in which the knowledge which should be implanted in the breast of the student should be knowledge immediately applicable to success in the calling which he was about to pursue. He founded his institution twenty-five years ago in this place. What a struggle there was, what heroism, what courage in building up this great instrument in the elevation of his people! As the inventer demonstrates the utility of his discovery by actual experiment and the exhibition of the successful result, so Booker Washington, with the 3,000 graduates of this institution who are now spreading the lessons which they have learned here among his people in all parts of the South, can gloriously vindicate his marvelous foresight. He has put himself in a position where he may well preach an evangel and enforce the truths he utters by the work which he has done.

Hampton and Tuskegee teach the dignity of labor, the value of skill, the use of the mind, and the application of the hand, and the lesson that without attention, without taking pains, without exercising self-restraint, no progress can be made by either a man or a nation.

Booker Washington did not found a university to furnish the higher mental education to a people not fitted to enjoy it or make it useful. He saw that his people needed training in the branches of human endeavor in which there was hope of real and immediate success, and he made his school accordingly.

He would not decry the advantages of higher education for some of his race, and he certainly would not shut the door of opportunity to the negro in any vocation, whether professional or manual. But the question he had to answer was, Is it better to invite the great body of my brethren to spend their time in securing an education and learning a profession in which they will find little opportunity to make their way, or shall I train them to succeed in the work which is open to them and to add to the economic power and influence of our race for its uplifting? That he has rightly answered it, these magnificent surroundings testify, and so do the many graduates gathered here to call him blessed and to bear witness in their own lives to the value of what he has taught.

I know it is the habit of many contemplating the condition of the two races in the Southern States to shake their heads and say that the negro problem is far, far from solution, and that the future in this respect is dark. Plans have been suggested of a migration of the negro race to some other country where they would live by themselves and grow up by themselves and have a society by themselves and create a nation by themselves. Such a suggestion is most chimerical. The negro has no desire to go, and the men of the South would seriously object to his going. It makes no difference how the negro came here; it makes no difference how impossible and objectionable the amalgamation of the two races may be; it makes no difference how impossible it may be for them to come together socially—the negroes are here in this country as a part of our people and are bound to continue to be a part of our people. They are entitled to the unceasing effort of our whole people in their struggle for better things, both because it is our duty and our interest to secure them equal opportunity. Whenever called upon, the negro has never failed to meet death and suffering for this, the only country he has and the only flag he loves. Now the best of his people are making in his behalf a struggle which requires greater fortitude, greater constancy, and greater moral courage than that exacted of a soldier, and they should have every aid which the country can furnish to make the best of what God has given them. The negro's chief hope of progress is by making his labor and husbandry valuable to the country. This is the goal he must seek. Business and political importance will come to them as a reward of steady industrial improvement.

With deference to those who have looked more into the question and who differ on this point from what I am about to say, it seems to me that instead of affording ground for discouragement in the solution of the so-called "negro problem," a review of the history of this race since the war justifies the statement that great progress has been made. Not only has there been a movement by the negro race itself along sound educational, industrial, and economic lines, but there is much encouragement in the attitude now taken by the leading white men of the South, who see the difficulties of the problem with great clearness, and welcome and sympathize with the efforts of Mr. Washington in what he is doing for his race.

The white men who can do the most for the negro, who can aid him in his toilsome march to better material and intellectual conditions are the southern white men who are his neighbors. Their sympathy in a real effort on his part to make himself useful to the community in which he lives will aid him much more, even, than the sympathy and large contributions of the friends of the negro in the North, and it is one of the encouraging signs of the time that there is growing up in the South a body of leading white men who feel that the future of the negro race affects the future of the South, and that both self-interest and humanity require them to lend all the aid they can to this people in the throes of a burdensome effort.

Let me refer a moment to the statistical evidence of improvement of the colored race in the South. The number of farms operated by negroes in the United States in 1900 was 746,000, and of these 287,000 were in the South Atlantic States and 444,000 were in the South Central States. Of the Southern farms 187,000, or 25 per cent of all, were owned by the negroes who farmed them; 271,000 were operated by negroes who were cash tenants, and 279,000 were operated by negroes who were share tenants. The value of the farms and property owned by negroes in 1900 is estimated to be about $300,000,000, free of debt. In the decade between 1890 and 1900 the number of negro farmers increased 37 per cent and the number of farm owners increased 57 per cent. The negroes, as owners or tenants, cultivate one-half of all the cotton farms, one-third of all the rice farms, one-seventh of all the sugar farms, and two-elevenths of all the tobacco farms in the United States, though they form but one-eighth of the total population. Two-fifths of the cotton crop is raised on farms owned or managed by negroes. The negro population in the South has about doubled since the close of the war, a strong indication that while their death rate may be higher than that of whites, their conditions of bodily health and comfort are at least not retrograding.

The illiteracy of the negro of the South has been reduced from 95 per cent to 47 per cent in four decades. The Southern States, for a long time after the war, were poor and unable to furnish proper primary education either to the white or the negro. During the last decade great wealth has come to the South. In every State prosperity is apparent, and with this material improvement in resources we may expect that the educational system of each State will be improved and that the very defective public schools in which the negroes have been given such education as they have received will be made better. Mr. Washington testifies to the increased interest which is being taken by the present superintendents of education in Georgia and Alabama in negro schools, and we may expect that this is but a beginning of a new movement in the South for this purpose. It is primary education and industrial education that the negro needs.

Of course, there is much to discourage in the bewildered and helpless condition of so many ignorant negroes who, knowing no useful trade but agriculture, are attracted to the southern cities and find there no occupation for which they are adapted.

Nor is it pleasant for the wellwisher of the negro race to hear from railroad constructors and other employers of labor that many negroes in the South will work as day laborers for two or three days in the week, earning thereby enough to keep them for the rest of the week, and then will remain idle until their money is exhausted. This, however, can not be true generally of negro labor, for the testimony in reference to its efficiency in many cases is a favorable one. It must apply to a wandering and irresponsible class and not to the majority.

Equally discouraging in another way is the state of a bright, young colored man who finds himself with merely a literary education, with no professional opportunity, and with an inability to overcome his repugnance to what he allows himself to believe is the humiliation of manual labor.

These things show that the work of uplifting the race must be slow and toilsome, but they do not make it hopeless. The spread of industrial education has done wonders, and with the bright and shining examples of Hampton and Tuskegee we must look to the establishment of such institutions in every State and every community, and what is even more important, to the inculcating in the present and rising generation of negroes the sane and profoundly wise gospel of their great leader whom we honor to-day.

It is said that only the picked ones of the race are educated in Hampton and Tuskegee, and therefore we may not infer from their character as developed by these institutions and their qualifications for success in life what will be the result of the extension of industrial education to those of their race who are less qualified than they were to receive the benefit of such education. It seems to me that this is a most pessimistic view to take. Nothing can be more inspiring and full of hope than the earnest yearning of those who go to Hampton and who come to Tuskegee to fit themselves to meet the problems of their life and to carry to the lowly of their race the lessons they have learned from the lips of their great teacher. Fortunate indeed is a race which has developed the man who could write the forceful truths full of saving common sense and loving candor with which Booker Washington has spoken to his people in the chapters of "The Future of the Negro."

"But," say the pessimists, "what of the political future of the negro?" And this brings me to the consideration of the third great war amendment—the fifteenth—which forbade that any State should deprive the negro of his vote on account of his color or previous condition of servitude. When we regard the history of the forty years through which the negro of this country has been obliged to struggle, the progress which I have already alluded to, material and educational, is wonderful. Consider the condition of things immediately after the war. Here were a brave, warlike, and masterful people, who had been used to a social condition in which the negro occupied a servile status, brought by law to face the prospect of sharing political control with the poor, ignorant, bewildered, and irresponsible people, who but yesterday were their property. Declarations of equality and popular rights and universal suffrage offer but a feather's weight against the inevitable impulse of human nature. It was impossible that with the elements I have stated there should not have been disturbance and fraud and violence and injustice and illegality and oppression. It was impossible that that which was written on the tables of the fundamental law or in the statute book should be immediately carried into effective execution. The negro's vote, after a long struggle, the history of which I shall not recall, was made to count for nothing. Then the leaders of the South in many States came to realize the dreadful demoralization of all society if law was to be flouted and fraud was to constitute the basis of government. So they cast about to make the law square with the existing condition by property and educational qualification which should exclude the negro.

The very desire to avoid the fraudulent and violent methods which were wont to overcome the colored vote in the South itself indicates a great turn for the better. It is impossible to frame a law which will, on its face, stand the test of the fifteenth amendment, and which will not ultimately operate, no matter what the qualification or present effect, to permit a certain class of the negroes to exercise the ballot. It is true that some State constitutions or laws with the so-called "grandfather" clauses, may operate temporarily to exclude him; but as they expire in effect, the limitations on adult male suffrage must become nothing more than educational or property qualifications applicable to white and negro alike. Such qualifications existed in many of our States at the beginning of this Government and continued for years thereafter, and they can be defended with much forceful argument. The theory upon which a popular government is to be sustained is that in the long run the rights of every person and class are likely to be more safely guarded by the laws of the country and enforced by the executive if the voice of the person or the class is always given opportunity to be heard in the adoption of the laws or the selection of the executive. But this proposition is predicated on the premise that the persons whose rights are thus to be looked after have sufficient information and power of decision to enable them to know and say what their rights are and how they ought to be protected. When a class of persons is so ignorant and so subject to oppression and misleading that they are merely political children, not having the mental stature of manhood, then it can hardly be said that their voice in the government secures any benefit to them. Property and educational qualifications are adopted in order to exclude those whose lack of knowledge and lack of stability make doubtful their capacity to decide with safety to themselves and the country what their own interests are. Therefore it seems to me that a policy of the southern people in adopting laws which exclude impartially both the black and white, ignorant and irresponsible, could not be criticised. But it is said, and with what truth I do not now discuss, these laws are intended to be enforced by means of the discretionary power vested in election and other State officers, so as to exclude the colored voters with rigor under their provisions, and to allow the white voters who ought also to be excluded, to enjoy the franchise. Assuming this to be true, still the situation is by no means a hopeless one for the negro and the political power that he may in the future exercise. In the first place, if he continues to increase in intelligence by the acceptance of the educational opportunities which are being offered him under the influence of Mr. Washington in great institutions like this, and if industrially he becomes a power and thus gradually increases the number of his race who are eligible to vote in accordance with law, he introduces into the electorate a body of individuals well qualified to act with common sense and judgment, and who, by their very position in the community, give weight to the vote they cast. Coming to the ballot box in small numbers as compared with the total number of the race, so as to relieve the fear that an ignorant majority will take over the Government, their votes and their support will ultimately prove attractive to the parties into which the white race must inevitably divide, and their position and influence as a small but growing representation of their race, qualified to exercise the right of suffrage, will become stronger and stronger. If, with the independence of thought and action which economic independence will surely give them, they divide their votes between contending parties, then in the exigency of political controversy the votes of educated and qualified negroes will be sought instead of suppressed, and the votes of ignorant and disqualified whites will be more rigorously excluded according to law.

Such a gradual acquisition of political power will secure more real influence and opportunity to help the negroes in their development than when their right of suffrage was unrestricted. For these reasons, and while I fully recognize the great difficulties that attend improvement in the present situation, I can not put myself among those pessimists who regard the settlement of the political question in the South as beyond hope.

This twenty-fifth anniversary of the establishment of Tuskegee Institute marks a period in the progress of the negro which well deserves commemoration. A great leader of a people is one who sees their primary need and their pathway to a higher life, and by action turns their steps into that pathway. This is what Booker Washington has done for the negroes of America. With a devotion to his purpose equaled only by his tact and common sense and clearness of vision, he has fought the true fight of his race against odds and under discouraging political and social conditions that would have halted most men. Well may he pride himself on the work which he has done as he looks about him, and well may his fellow-countrymen, white and black, honor him as one of the world's greatest men of this generation.

TUSKEGEE NORMAL AND INDUSTRIAL INSTITUTE,
Tuskegee Institute, Ala., May 12, 1906.

Hon. T. W. SIMS,
House of Representatives, Washington, D. C.

DEAR SIR: In reply to your letter of April 20, let me say that it has been my custom to write and speak of the members of my race as Negroes, and when using the term "Negro" as a race designation, to employ the capital "N." To the majority of the people among whom we live I believe this is customary and what is termed in the rhetories "good usage." That being so, I am not disposed to quarrel with the use of the word on grounds either of logic or science.

It has long seemed to some of our people, however, that the members of my race have been so long in this country and have become so closely identified with it in all their interests and aspirations that they should be given a political rather than a racial designation and be called "Afro-Americans." On the ground of logic and of science, this latter title is, perhaps, as good a designation as could be devised. But the fact is—and in this I think you will agree with me—the language is not made by either scientists or logicians. Rightly or wrongly all classes have called us Negroes. We can not escape from that name if we would. To cast it off now would be to separate us, to a certain extent, from our history and deprive us of much of the inspiration we now have to struggle on and upward. It is to our credit, not to our shame, that we have risen so rapidly, more rapidly than most other peoples, from savage ancestors through slavery to civilization. For my part, I believe the memory of these facts should be preserved in our name and tradition as it is preserved in the color of our faces. I do not think my people should be ashamed of their history nor of any name that people choose in good faith to give them.

Yours, truly,

BOOKER T. WASHINGTON.

Army Appropriation Bill.

SPEECH
OF
HON. OLLIE M. JAMES,
OF KENTUCKY,
IN THE HOUSE OF REPRESENTATIVES,
Thursday, February 22, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 14397) making appropriation for the support of the Army for the fiscal year ending June 30, 1907—

Mr. JAMES said:

Mr. CHAIRMAN: I thank the gentleman from Virginia. I merely wanted to reply to the strictures made by the gentleman from New York [Mr. PAYNE] upon Paducah as a port. Paducah is not a port of entry where customs duties can be collected, but is nothing more than a port of delivery, and it would be, therefore, impossible under the laws that now exist for the surveyor of the port to collect one cent for customs duties, and the gentleman might have said with as much propriety and with as great force that there was no money collected at the door for entrance into the Capitol. The answer to both would be equally plain, as no money could be collected at the port of Paducah. I desire the Clerk to read a letter sent to me by the Treasury Department.

Mr. PAYNE. Will the gentleman allow me just a word?

The CHAIRMAN. Will the gentleman from Kentucky yield to the gentleman from New York?

Mr. JAMES. I will.

Mr. PAYNE. That illustrates the wisdom of the committee in bringing in this bill to allow the Secretary of the Treasury to do this thing, where he can take into consideration all the facts. Possibly the gentleman from Kentucky [Mr. JAMES] may convince him to retain the port of Paducah.

Mr. JAMES. In reply to that I will say that I do not want to go to some Secretary or Assistant Secretary of the Treasury to obtain justice for my people. This is the people's House of Representatives, and we have the right to be heard here, and we are tired of going to executives and laying our case before this Executive Department or that Executive Department. This letter, which I will have the Clerk read, shows the error of the gentleman in asserting upon this floor that Paducah has collected no money. And now, Mr. Chairman, I ask that the letter referred to be read.

The CHAIRMAN. The Clerk will read the letter referred to in the time of the gentleman from Kentucky.

The Clerk read as follows:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, February 21, 1906.

Hon. OLLIE M. JAMES,
House of Representatives.

SIR: Replying to your letter of the 19th instant, I have to inform you that Paducah, Ky., is now a port of delivery in the customs collection district of New Orleans. If, as is assumed to be the case, you desire to have the privileges of the seventh section of the act approved June 10, 1880, governing the immediate transportation of dutiable merchandise without appraisement extended to Paducah, which action would allow dutiable goods to go forward to that port where they would be appraised and duties thereon paid, such action would require the authority of Congress. Usually measures of this character are referred to this Department for an expression of its views thereon, and if a bill extending the privileges referred to to the port of Paducah were introduced and referred here for report thereon the question whether or not there is a general commercial necessity for such action would be considered and a report made based upon the result of such consideration.

Respectfully, C. H. KEEP, *Acting Secretary.*

Mr. JAMES. Now, Mr. Chairman, the other day when the gentleman from New York was upon the floor he declared that he saw a stalwart Kentuckian urging his colleagues to vote against the consideration of this bill. If the gentleman referred to me, I shall not deny it. I desire to ask why the committee of which the gentleman is the chairman did not investigate this question and bring in your bill and say what ports you want to annul, what ports you desire to consolidate, and let this House pass upon it, for in this way we could get intelligent action? But we are told that you want to give to the President the power the Constitution gives to the House—that is, the right to legislate upon this question. And then, we are informed, the President is in turn to graciously submit the matter to the Secretary of the Treasury, who, with becoming magnanimity, is to give the right thus delegated to the Second Assistant Secretary of the Treasury to say what ports shall be annulled, what ports shall be consolidated, what ports shall be continued. And the Second Assistant Secretary of the Treasury, I suppose, will then turn the matter over to the janitor, and then we will get to know to whom we should go to present our arguments as to the ports of the United States.

Mr. PAYNE. Before the gentleman sits down, will he kindly tell the House what earthly use there is in spending this $400 at Paducah?

Mr. JAMES. I will do that. This port of Paducah is a port which is indispensable, not only upon the question of its necessity as a port of delivery, but because by its being a port it gives to us a surveyor there who attends to the vast river interests of the city of Paducah. Paducah is situated on the Ohio River, at the mouth of the Tennessee River, 12 miles below the mouth of the Cumberland River, and 40 miles above where the Ohio River empties into the Mississippi River. It is the fourth city of the United States, considered from the standpoint of the steamboat interests. I will have the Clerk read a letter for the benefit of the gentleman from New York, which was written to me by the surveyor of the port of Paducah, which shows that the money collected, which was referred to by the gentleman from New York, was for the work he had done there for the steamboat interests of that part of the country. There are four docks there where boats are built, where measurements are taken, where licenses are issued, and where all that character of work is done; and yet the gentleman from New York would close this port and send this character of work to Evansville, or Louisville, or some other place. The Government is not stingy, and I indulge the hope that this Government is not yet so small as to deny this privilege to the great river interests of western Kentucky. Mr. Chairman, I ask that the letter be read.

The Clerk read as follows:

OFFICE OF THE SURVEYOR OF CUSTOMS,
Paducah, Ky., February 16, 1906.

Hon. OLLIE M. JAMES, M. C.,
Washington, D. C.

DEAR SIR: It is conceded by all river men that Paducah is the greatest winter harbor for boats between Pittsburg and New Orleans. This place is of the greatest importance as a port where vessels can be documented. I am advised that there are only four other ports in the country that have a larger number of boats licensed and enrolled than Paducah. We have three or four docks here where boats of all descriptions are built every year. These boats have to be measured, enrolled, and licensed before doing any business. This has been a port where vessels could be documented ever since the war between the States, being, as you might say, here at the mouth of the Cumberland and Tennessee rivers, on the Ohio, 50 miles above Cairo, which makes it of great importance to the commercial interests of this part of the country. To close this port and require all these boats to have to go to Nashville, Evansville, or Cairo to be documented would be one of the greatest hardships that could be placed on the river interests in western Kentucky. The paltry sum of $350 (all that is paid the surveyor for doing this work) should not be allowed to cause the port to be closed.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. HAY. How much time have I remaining, Mr. Chairman?

The CHAIRMAN. The gentleman has seven minutes remaining.

Mr. HAY. I yield it to the gentleman from Kentucky.

Mr. PAYNE. I will ask the gentleman if it is not a fact——

The CHAIRMAN. The gentleman is recognized for seven minutes remaining.

Mr. PAYNE. I will ask the gentleman if it is not a fact——

The CHAIRMAN. The Clerk will continue the reading of the letter.

The Clerk read as follows:

Vessels come here from all parts of the country to carry on the coasting trade, bringing ties and lumber out of the Ohio, Cumberland, and Tennessee rivers.

In regard to customs duties, this would be a port where a large amount of duties would be collected if the Treasury Department would allow it. It seems to be averse to it. Time and again bills have been offered in Congress making Paducah a port where imported goods might be shipped and duties collected, and the Treasury Department would never approve such bills; hence they would not be passed. We have merchants here in Paducah and other towns in the First district who import large quantities of goods, such as wines, brandies, whisky, cigars, mattings, queensware, etc., who have to pay duties on same at Louisville, Evansville, New Orleans, or some other port. Hence, forsooth, because no duties are collected, they now propose to abolish this port and ruin the river and steamboat interests.

I have just received a bill of mattings—value, a little over $600—shipped from China to a firm at Fulton, Ky., but the Department regulation will not allow same to be sent to its destination until the duties are paid at the port of Portland, Oreg., where the same was landed in the United States. If any further information should be needed, call on us.

Respectfully, yours, J. R. PURYEAR.

Mr. PAYNE. Now, Mr. Chairman, if the gentleman——

Mr. JAMES. You refused to yield for questions asked by gentlemen on our side the other day, but I will treat you with more courtesy than you treated us and will yield to you presently. Now, as to the river interests of Paducah, if you annul this port there, you will force every steamboat man who desires a new license issued to go to a place at which you have a surveyor, to some distant port in order to obtain it. If you annul this port, you annul the most important port between Cincinnati and Memphis, and every boat that is documented, enrolled, or licensed would be put to the necessity and great trouble of going to some distant port for this purpose. It would mean the removal of the docks of the city of Paducah and would cause the greatest inconvenience imaginable to the river men.

Mr. PAYNE. Now, is it not a fact that this documenting is done by the inspecting service of the inspecting bureau, and not by the customs officer?

Mr. JAMES. This documenting is done by the surveyor of the port of Paducah.

Mr. PAYNE. They have no surveyor at the port of Paducah.

Mr. JAMES. They have, sir.

Mr. PAYNE. And still they can not enter goods?

Mr. JAMES. They can not. It is not a port of entry, but is only a port of delivery.

Mr. PAYNE. And they have a surveyor?

Mr. JAMES. Yes; J. R. Puryear. He signs himself surveyor of the port, and he is the surveyor of the port. It just simply shows that the gentleman from New York is not familiar with this subject. [Laughter.]

Mr. PAYNE. No.

Mr. JAMES. That is to be considered.

Mr. PAYNE. It shows that the gentleman from Kentucky is not familiar with the condition at Paducah.

Mr. JAMES. I do not want you to take up all my time. I promised to yield two minutes to the gentleman from Maine. I want you to remember what the Secretary of the Treasury says. He differs from you and shows very conclusively that Paducah has no right to collect customs duties. Surveyor of the Port Puryear declares in his letter that efforts have been made in the past to give Paducah the right to collect customs duties and be made a port of entry, and that each time it has been denied. We hear a great deal said upon the floor of this House about running the Government by the executive department. We hear considerable talk about graft, and the gentleman from New York grows enthusiastic when he assails graft, and it only arouses in the minds of all those who listen to him in this House the greatest levity. The gentleman from New York is opposed to graft, but when here the other day a Member of this House desired to read an arraignment of the railroads, declaring that they had consolidated and denied to independent coal dealers the right to interstate traffic, when he desired to read a terrific indictment against this outrageous combination, declaring that

the roads virtually confiscated the products of their mines by exorbitant freight rates, the gentleman from New York was upon his feet objecting. There was graft that went into the railroads' pockets. But when it comes to rivers, the gentleman from New York has a natural antipathy to water for some reason, and therefore he says that he is opposed to river graft. [Laughter.]

Mr. PAYNE. The gentleman from New York ought to be popular in Kentucky if he has an antipathy to water.

Mr. JAMES. If you want to be popular in Kentucky, you must remember that we do not use water there for anything except to float boats on [laughter], and that is why we do not want you to do anything to injure our ports. Mr. Chairman, more boats go to Paducah to repair than to any place on the Mississippi or Ohio rivers on account of the natural location. Owing to the Tennessee River being at the city's door, a river that is open throughout the year, summer and winter, this city affords a natural harbor to boats that come out of the Mississippi and Illinois rivers to avoid the ice. They lie up at Paducah for repairs, and all these boats are compelled to have more or less business with the surveyor of the port. Their papers have to be renewed from time to time, bills of sale made, and all this necessitates transactions with the surveyor of the port. In the operation of a number of boats it becomes necessary to change masters sometimes, and on short notice, and the change has to be made and noted in the presence of the surveyor of the port. And yet, according to the argument presented on this bill, simply because the port is not a paying one—that is, that more money is not collected there than was expended—we are told that in the spirit of what they call "economy" the port is to be abolished, and yet when we investigate the facts we find out that at ports of delivery, of which Paducah is one, it is quite impossible for any duties to be collected and that it is more a port for convenience of delivery and for the benefit of the vast river interests that this port was originally established. Would the gentleman in charge of this bill force these people to delay their traffic by sending by mail these papers to the proper officer at some distant port? Would he hamper commerce in this way? Commerce upon the rivers has long been the safeguard and the only barrier between the people and the insatiable maw of the railroads.

Then, Mr. Chairman, higher than all this, important as it is, rises the question of delegating legislative power to other departments. This Government has become an Executive-ridden Government. Instead of the departments being separate as the framers of the Constitution intended, the tendency of the times is for Congress to abdicate its swiftly waning powers and rights to executive officers to enforce. I am in favor of economy in the expenditure of the public money, and if any of these ports are unnecessary and ought to be abolished, why not let the Ways and Means Committee, as is its duty to do, investigate this question and report to this House a bill consolidating such ports as ought to be consolidated, or abolishing such ports as should be abolished, and in the open light let the question be fought out upon this floor? But we are told that if this is done a lobby will be here, lobbying for certain ports, and that this great House of Representatives would submit to its influence and that no legislation along this line could be had, and yet these same gentlemen that assert this would turn over this great question affecting all the ports of the United States into the hands of the Assistant Secretary of the Treasury, who is nothing more than a man and certainly could not be said to have more strength of character and be more impervious to the influence of the lobbyists than the 386 men that constitute the membership of this House.

Imagine, if you can, the contention and the political influence that would be brought to bear in favor of a certain port as against other ports, in favor of keeping a port and annulling another one, and all this on one man, and calling him human and nothing more, it would be impossible to say that he would do this work as well as the people's legislative body. Would the membership of this House surrender to the Secretary of the Treasury, or even to the President of the United States, the right to regulate the tariff, the right to take from this House this right and give it to the Secretary of the Treasury or the Assistant Secretary? Would you take from this House the right to hold the purse strings and appropriate money and turn it over to some Executive Department? If so, what is the necessity for a House of Representatives? Its decadence has been exceeding swift. The House of Representatives should exercise every right given to it under the Constitution of this country. The executive department should perform its functions, and no more; the judicial its functions, and no more. The Executive should not legislate for the people, and in my judgment it would be a great mistake to pass this bill.

Post-Office Appropriation Bill.

SPEECH
OF
HON. C. L. BARTLETT,
OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, April 10, 1906.

The House being in Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 16953) making appropriations for the service of the Post-Office Department for the fiscal year ending June 30, 1907, and for other purposes—

Mr. BARTLETT said:

Mr. CHAIRMAN: This is the most important appropriation bill which the Congress is called on to consider. It carries more money than any other appropriation bill; it affects those interests of the people of the United States which are most material, because it deals with matters regardless of the expenditure of the money which brings the Government in direct connection with the people. In the section of the country from which I come, for many years and it is so now, the association of the people with and the benefits they receive from the postal service was about the chief benefits that they received from the General Government. The Government in the administration of the postal affairs has heretofore been careful of the rights of the people. The rights of the citizens to use the mail, the right of the press of the country, and the newspapers, and the metropolitan newspapers, and country press, the magazines, and the great mass of literature supposed to be for the education and information of the people can not go through the mails in order to reach the people unless it shall first pass the scrutiny and approval of the Post-Office Department.

The power exercised by the Third Assistant Postmaster-General is remarkable, and oftentimes used arbitrarily and unjustly. It is because of this fact that the right of the people to use the mail, because it is a right, has been unjustly denied oftentimes recently that there is complaint. I scout this idea that the right of the people to properly use the mails is a privilege which can be denied them by an official of the United States. I do not believe it, at least I shall not sanction it. It is their department, it is their post-office. These $190,000,000 that are annually appropriated come out of the pockets of the people. Therefore the conduct of the post-office officials in dealing with this great question, of discharging this trust, in expending the money of the people in this great Department of the Government—a Department that does more to advance the interests of the people, does more to disseminate learning and information and knowledge, the great expense of which the people cheerfully pay—deserves at the hands of the representatives of the people careful scrutiny.

We had, when this Congress met, petitions giving us information of complaint about numerous acts of the Post-Office Department in various matters. My attention was not specially called to it until February, 1906. I introduced the following resolution, which was, on February 24, adopted by the House:

Resolved, That the Postmaster-General be, and he is hereby, directed to furnish to the House the following information, if not incompatible with the public interests:

First. If a newspaper published at Thomaston, Ga., and known as "The Union News," has been at any time admitted to the mails as second-class matter; and, if so, when and for what length of time the said publication was admitted to the mails as second-class matter.

Second. If said newspaper, The Union News, has been excluded and denied admission to the mails as second-class matter; if so, when said newspaper was so denied admission to the mails as second class, and the facts upon which it was decided to exclude said newspaper from the mails as second-class matter; and to furnish to the House the decision and order of the Post-Office Department excluding said newspaper, The Union News, from the mails as second-class matter, and also the record in the Post-Office Department upon which such decision is based.

On March the 24th, nearly thirty days thereafter, the Postmaster-General sent to the House the following response:

OFFICE OF THE POSTMASTER-GENERAL,
Washington, D. C., March 24, 1906.

SIR: I have the honor to submit herewith a response to the resolution of the House of Representatives dated February 24, 1906, which reads as follows:

"*Resolved*, That the Postmaster-General be, and he is hereby, directed to furnish to the House the following information, if not incompatible with the public interests:

"First. If a newspaper published at Thomaston, Ga., and known as the 'Union News,' has been at any time admitted to the mails as second-class matter; and, if so, when and for what length of time the said publication was admitted to the mails as second-class matter.

"Second. If said newspaper, the Union News, has been excluded and denied admission to the mails as second-class matter; if so, when said newspaper was so denied admission to the mails as second class,

and the facts upon which it was decided to exclude said newspaper from the mails as second-class matter; and to furnish to the House the decision and order of the Post-Office Department excluding said newspaper, the Union News, from the mails as second-class matter, and also the record of the Post-Office Department upon which such decision is based."

This publication applied for entry under the following provisions of the act of March 3, 1879:

"SEC. 10. That mailable matter of the second class shall embrace all newspapers and other periodical publications which are issued at stated intervals, and as frequently as four times a year and are within the conditions named in sections 12 and 14.

* * * * * * *

"SEC. 14. That the conditions upon which a publication shall be admitted to the second class are as follows:

"First. It must regularly be issued at stated intervals, as frequently as four times a year, and bear a date of issue, and be numbered consecutively.

"Second. It must be issued from a known office of publication.

"Third. It must be formed of printed paper sheets, without board, cloth, leather, or other substantial binding, such as distinguish printed books for preservation from periodical publications.

"Fourth. It must be originated and published for the dissemination of information of a public character, or devoted to literature, the sciences, arts, or some special industry, and having a legitimate list of subscribers: *Provided, however,* That nothing herein contained shall be so construed as to admit to the second-class rate regular publications designed primarily for advertising purposes, or for free circulation, or for circulation at nominal rates. (1 Supp. R. S., 246; secs. 427 and 428, Postal Laws and Regulations.)"

With respect to the information called for in the "first" paragraph of the resolution, I have to say that the Union News, of Thomaston, Ga., was first admitted to the second class of mail matter as a semi-monthly publication March 4, 1905, the date of the application for such admission. The right of the publication to such admission was at the time in some doubt. The doubt, however, was for the time being resolved in favor of the publisher. The records show that the publication was mailed as matter of the second class until February 5, 1906.

With respect to the information called for in the "second" paragraph, I have to say that on February 5, 1906, application was made for admission of the Union News to the second class of mail matter as a weekly publication. Admission was denied February 19, 1906, on the ground that the publication was designed primarily for advertising purposes and came within the prohibition of the statute heretofore quoted.

The facts upon which the decision was made are as follows:

It appeared in evidence upon the application for admission as a weekly that the paper was not published for the dissemination of information of a public character, but was "designed primarily for advertising purposes," in that it was conducted to advertise and promote the commercial interests of the Farmers' Union of Georgia and the individual members thereof.

The evidence establishing these facts was found chiefly in the publication itself, a copy of which is herewith submitted, marked "Exhibit A." From an inspection it will be seen that the contents do not constitute information of a public character, as required by law. The publication deals with the private business relations of the members of the Farmers' Union, and is intended as a medium for the mutual advertisement of what they have respectively to buy and sell. In other words, it is merely the personal organ of a group of individuals in respect of their private affairs, which it is designed to facilitate and promote.

The marked portions of the issue of February 5, 1906 (Exhibit A), show the aims and purposes of the Union News, the whole of which, however, was considered in reaching the determination aforesaid. A careful perusal of the whole exhibit will show conclusively the character of the publication; that it clearly comes within the prohibition of the statute, and that no other decision could, under the law, properly have been rendered.

In response to that part of the resolution calling for the record of the Post-Office Department upon which this decision is made, I am sending herewith a copy of the February 5, 1906, issue of the Union News, Volume II, No. 9, marked "Exhibit A;" a copy of the application of the publisher for admission of the publication, dated February 5, 1906, marked "Exhibit B;" a copy of the order of the Third Assistant Postmaster-General denying admission, dated February 19, 1906, marked "Exhibit C," and a copy of the letter of the Third Assistant Postmaster-General addressed to Hon. C. L. Bartlett, M. C., dated February 26, 1906, marked "Exhibit D." These constitute the essential record of the Department in this case. When they have served the purpose of the House I shall be pleased to have them returned to the Department files.

I have the honor to be, sir, very respectfully,

GEO. B. CORTELYOU,
Postmaster-General.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

I offered that resolution because the publisher of the newspaper in my own district informed me that the Post-Office Department had excluded a country paper published in my district from the mails as second-class matter, and desired to have the same investigated.

Upon receiving that information I went to the Post-Office Department, to the department presided over by Mr. Madden, Third Assistant Postmaster-General, for the purpose of receiving information as to why this had been done. I did not receive a satisfactory answer. I want to say right now that although I have made frequent visits to this Department of the Government, both accompanied by my Senator and some of my colleagues on this floor, I have always been so unfortunate as not to be able to find the Third Assistant Postmaster-General attending to the duties to be expected of him. I state that several times Senators from Georgia and myself have endeavored by telephone to reach him, and both when the telephones were used and personal visits were made we were not able, Mr. Chairman, to find the Third Assistant Postmaster-General able to neglect his private business long enough to attend to the public duties of his office.

Upon the 24th day of February of this year, as I could get no information except from the clerks and subofficials, as I could not personally get access to him, and because my constituent was suffering from the ruling, I introduced the resolution which passed this House on the 24th day of February, 1906, calling upon the Postmaster-General to give to the House and the country the information as to why this ruling had been made, why this paper, which I shall call attention to in a few moments, had been denied the right to use the mails at the rate designated by law for second-class postage.

The Postmaster-General for some reason, for which I do not blame him, as he has to rely on the Third Assistant Postmaster-General, who could not give attention to the public business long enough to answer the House and the committee, took just twenty-eight days from the time that the House passed this resolution to inform the House, to get the information from the Third Assistant Postmaster-General and then inform the House why the action had been taken. I thought probably it was a serious job, but I hold in my hand the answer that has been made. It contains two pages of printed matter, and added to it an exhibit of a little paper, eight or ten pages, and the regulations of the Department upon which application of the ruling had been made, all copied. I am unable to ascertain why it was necessary for the Department to have waited so long before replying and giving the information called for in the resolution.

And while I waited and watched for the coming of this answer I happened to go into one of the book stores of the city, and upon looking over a table containing a number of magazines I found lying upon the table a magazine I had not seen before and upon which was written "Madden's Magazine," and upon inquiry I found that it was the second number of the magazine, and upon further inquiry I found out that the first number had been issued and all the copies had been disposed of and that a circular had been printed announcing that the second number would be issued and that the great thing that attracted the public and the news sellers was that it was a magazine published and edited by the Madden Magazine Company, of which the Third Assistant Postmaster-General was the chief. I can well understand now how it is, Mr. Chairman, that the Third Assistant Postmaster-General can not be found in his office and can not find time to answer resolutions of the House. [Applause on the Democratic side.] I find also that this magazine passes through the mails as second-class matter. Of course it does. Who would ever undertake to suppose that this gentleman and the clerks under him would hold up to criticism or put a strict construction of law to a magazine edited, published, and owned by the Third Assistant Postmaster-General himself? And I call attention to an advertisement upon the back of it in which the attention of the public is called to what a great magazine it is to be in the future and what it is to do. It is also filled with cartoons, and probably the Members of the House and members of the Senate will be delighted to see some of them which adorn his magazine in reference to Congress. Upon a page we look and find this: "Investigating the railroads." They do not exactly look like Members of the House, the gentlemen who seemed to be investigating the railroads, because all of them have on beaver hats and frock coats, they therefore must be members of the Senate. But in that cartoon which he presents to the country to illustrate how Congress is investigating the railroads the Senators, or whoever they may represent, are down examining the trucks, the engine, and the coal and the oil cans and the wheels, and finally one in one of the cars holds in his hand a piece of paper and exclaims, "I have found it; eureka," and what is it? A free pass. Now, this magazine also starts out with a biography of Mr. Henry A. Castle, the Auditor of the Post-Office Department—a most excellent gentleman, against whom I have no words of complaint to utter, but the first page upon it contains an article by him and a biography of him. That paper went through the mails; is going through to-day. The great power of the United States Government was asserted in order to strike out the life of this little country paper, issued and published as the organ of the farmers of Georgia, but no hesitation was made to put the seal of approval of the Government upon the magazine of the Third Assistant Postmaster-General.

I desire to call attention to the reasons given why this paper was excluded from the mails. Let us see. He says that this paper, the first one which I hold in my hand, was the first issue of the Union News, and it says, one of the first things which is printed at the masthead, "Think before you act, and then act with a vim." This was in February, 1905. There is nothing in it to attract the attention of those gentlemen who have leisure to publish magazines, but it simply details the simple life and annals of the farmers of Georgia who are endeavoring

to cope with the great Wall street robbers who are endeavoring to destroy the price of the staple of the South. They publish in this paper their views upon the subject. They call one another brothers, and every time in the paper that has been excluded a clerk having this matter in charge finds the word "brother" or "brethren" he underscores it with a blue pencil, or with a red one, as being offensive to the rule that permits the use of the mails as second class. [Applause on the Democratic side.] But they admit this of March 6, 1905. I challenge anyone, I challenge the Third Assistant Postmaster-General, if perchance he will hereafter have time enough to devote to the duties of the office, to investigate and inquire whether the paper which he admitted on the morning of the 6th day of March, 1905, did not have less matter on public subjects in it and have more pertaining to the Farmers' Union than is in the one of February 5, 1906, which he excluded. Now, he says he excluded it for these reasons: He says, "The publication of March 4, 1905, was admitted to the mails." He said, "Such admission was at the time in some doubt; the doubt, however, was for the time resolved in favor of the publisher." Then, in February, 1906, it carried——

Mr. WILLIAM W. KITCHIN. Before the gentleman begins to read that I will state that I am very much interested in his speech, and I want to state that it is not only that class of papers they have excluded, but they have also excluded from second-class privileges two papers published by educational institutions in my district. The Oakleaf, published by the Oak Ridge Institute, and the Trinity Chronicle, published by Trinity College. They have excluded these from the privileges of the mail, and it seems to me that the law ought to be amended.

Mr. BARTLETT. They have excluded this [exhibiting a newspaper]. It is published not in my district nor in my State, a paper called the Union Signal, published in Shawnee, Okla. This paper is a national organ of the Farmers' Union Association. They appealed from the subordinate to the President himself for a "square deal," and that paper goes through the mail with this statement printed in red letters, which I will read:

The one-cent stamp required to carry this paper, the Union Signal, through the mails is a warning to the people that their sovereign rights, guaranteed by the Constitution, are slowly but surely being taken from them. Because the Signal makes a feature of publishing Farmers' Union news, official circulars, correspondence, etc., it was denied admission to the second-class mail rate by the Third Assistant Postmaster-General.

What is the Farmers' Union that this hardship should be imposed on a paper for publishing matter "relating almost entirely" to it? The Farmers' Union aims to assist the American farmer in lifting the mortgage from his home, his cow, his mule, and his plow. It advocates cooperation in buying supplies, that money may be saved, and cooperation in selling farm crops that profitable prices may be had for the products of the farmer's toil. Because of these purposes, and notwithstanding that it embraces the religion of love and the creed of kindness, Mr. Madden has called it a commercial organization, and has denied the Signal the right to devote itself to the upbuilding of the Farmers' Union under penalty of being excluded from the second-class rate.

We took the penalty, and are sticking to the union.

This paper, I am informed, reaches 300,000 subscribers, who are farmers. And each copy carries this statement that a one-cent stamp is required because the sovereign right guaranteed by the Constitution has been taken from them because the Signal makes a feature of publishing farmers' news and correspondence, and it was denied admission to the mails. These people are demanding a "square deal" at the hands of this Department, that phrase that has become almost a household term since the hippodrome the President made over this country from the Atlantic to the Pacific, from the Lakes to the Gulf. [Applause.] Now, the paper in which I am chiefly concerned had these offensive words, I take it, that could not be submitted to by either the clerk or subordinate or the President himself. And what was it?

"Brother." In writing of his neighbors the correspondent called him "Brother."

In this age of concentration of wealth and power, of graft and plunder, the rule is not be brother-like and call your neighbor brother, but to rise in your might and throttle his enterprise and get what you can from him, and therefore "brother" was offensive to these gentlemen who regulate and control the business of the people in the Post-Office Department in the Third Assistant's Office.

It was contrary to the modern business methods which are the outgrowth of the doctrine of the Republican party and its policies, and the Department of the Post-Office could not realize that any man had a right to join God and business. [Applause.]

I will now read some of the items in this paper which met the fate of being "blue penciled" by the Department as objectionable to the rule, as showing that they were of such character as authorized the exclusion of this paper from the privilege of the mail at the second-class rate.

I read from the seventh page of the paper, which is literally "blue penciled" to death by the Department, and contains a fair sample of the contents of the paper the publication of which gave such offense to the sensitive officials of our Government, at whose whim the right of the people to use the mails is denied:

FROM FLOYD COUNTY—"PULL FOR THE RIGHT," SAYS BROTHER CARVER.

FLOYD COUNTY, GA., *January 20, 1906.*

To the Union News.

DEAR EDITOR: If you will allow me space in your valuable paper, a word for New Bethel boys. We are not so many, but we mean to stick to the post and pull for our rights against all ends of wrong. We pray God's blessings upon the founders of the union and upon all who has or will become a helper in carrying out her plans. We hope to see the day when the farmers of America can claim their rights and have what belongs to them in their own hands. We farmers have plowed, we hoe, we chop, we haul, and what do we get? In the spring the merchants hug us up till they get our note for all we are or expect to be worth in the fall. Then for a few times when we go in they are mighty good till we have taken up about one-third our note. Then they say to the clerk: "Put the price up. I have his note run up. I want another." Let's let this be a thing of the past and do business ourselves.

I am a union man, feet and heart. I hope to tread on union soil only and eat union grub.

Success to the Union News and to the union farmers.

Truly, yours,

W. H. CARVER, *Sec.*

BROTHER TALLY WRITES WE SHOULD TAKE MORE PAPERS—HAVE A HARD FIGHT, BUT WILL WIN.

MARIETTA, GA., *January 12, 1906.*

The Union News:

One week ago Friday—5th instant—Brother Duckworth, secretary of the Farmers' Union of Georgia, made one of the best speeches that has ever been my pleasure and privilege to hear. It had the right ring to it. He says the farmers are to blame for their condition for not attending to their business in a business way. We ought to be on the alert and inform ourselves; be abreast of the times; have system; take at least six good papers—religious, agricultural, literary, and other papers—read and study the subject-matter close. Brother Duckworth says that if we will only be true to ourselves and family we have the finest country on earth. We need more of our fellow-farmers to educate our sons in the science of agriculture, the noblest avocation on earth. Let's be true to our country and order. Love your country; work for the upbuilding of it in every way; shun debt as you would a viper; owe no man nothing but to love him.

We should enrich our lands, and hand them down to our children in better condition than we received them. This should be our motto: I love the old farm; it has sacred memories to me. God bless the husbandman and make him a power for good in this beautiful Southland of ours.

Boys, let me beg of you to not smoke or chew, or drink poisonous liquors; let your sole ambition be to make a man in its broad meaning. Come, fellow-farmers, let's be up and doing; do the right in everything, love your neighbors as yourself, help the poor, bear one another's burdens, and so fulfill the law of Christ. This lovely land, this glorious liberty, these benign institutions, the dear purchase of our fathers are ours; ours to enjoy, ours to transmit; generations that have passed and generations to come hold us responsible for this sacred trust. Brother, that means you and I. "Duty," as Gen. R. E. Lee once wrote his son, "is the most sublime word in the English language. It is only in duty that we are blessed."

We have a hard fight on our hands, but we can succeed if we will. Ours is a righteous cause—fighting for the betterment of mankind. Let us ask God's blessings to attend our efforts to better our country. Without his guidance all will come to naught. Go to hear Brother Duckworth, and you will be paid fourfold. He is a grand man—the right man in the right place.

Yours, for success,

A. H. TALLY.

Now, this post-office official underscores with blue and red pencil all these articles and communications. When they print a letter referring to the burial of a friend he uses the red pencil and the blue pencil underneath the words "brother in heaven." When they go to the burial of a member and pass resolutions upon the death of a brother, regardless of both home and the grave, they blue and red pencil underscore, and outlaw this paper because it uses the words "dead brother." These are a sample of the reasons given for excluding this paper from the mails and why objection is made to it, because the matter is altogether union matter.

I have some publications here which I will call attention to. Here is a publication called the "Wine Press," with nothing but advertisements of liquor and beer and wine. Without hesitation or question it passed the approval of the Third Assistant's Office, and goes through the mails at second-class rates.

Here, as I said before, is the American Economist, devoted to upholding the iniquities of the Republican tariff. Here I present also a free-trade paper undertaking to combat it. I present another, "Barrels and Bottles." It goes through the mails at pound rate. It is filled with advertisements telling where young and old can find beer, whisky, and bottles. Here I have another publication, "Beverages," devoted to the interests of all departments of the liquor trade; and emblazoned upon its front, in the upper right-hand corner is this motto: "In the hands of men supremely great the corkscrew is mightier than the sword." [Laughter.] Beneath that are the words "Entered in the post-office at New York as second-class matter under act of Congress."

I did hope, Mr. Chairman, that I might have the time to go through with these various publications that I have here. American Industries, the National Druggist, Cotton Manu-

factures, the American Federationist, all go through the mails at second-class rates. Papers devoted to the liquor trade, which carry information as to the whisky trade to the young and the old of the country, go through the mails at second-class rates, but this simple country paper that teaches you to love your neighbor, that teaches your children that by devotion to the soil they may become true citizens, is tabooed and blue penciled and sent out burdened by the one-cent rate for each copy. The answer to this resolution says that the advertisements are purely for farm products True, they do not advertise whisky, morphine, or tariff-made goods. They advertise horses, mules, and farm products and land, and therefore they have offended the mighty Third Assistant Postmaster-General. Thank God that the farmers in this country are awakening to the outrage perpetrated in the name of the law.

I deny that an honest, true, correct interpretation of the law would have tabooed this paper from the mails. Eleven million farmers are engaged in the upbuilding of this country and have been the very foundation stone upon which our prosperity has always rested and will continue to rest. I wish I had time to read what the Secretary of Agriculture says in reference to what the farmer has done to produce prosperity. The great cotton crop of my section has produced more money to aid in the general prosperity of the country than any other product produced in the United States. And it is these farmers who have year after year contributed from $325,000,000 to $460,000,000 to the foreign export trade of the country, but for which we would often have had a deficit between the exports and imports; these are the men against whom the Postmaster-General and his subordinates level the law in order to destroy their right to send to the country their publications. I want to call the attention of the country to it. I want the 11,000,000 farmers of the country, 7,000,000 of whom hold ballots in their hands, to understand the conduct through which they are suffering, and I want them to know that the man under whose protection and supervision this is done is the Postmaster-General, the chairman of the Republican national executive committee, the head of the Republican campaign organization of the country.

I want the farmers to understand, Mr. Chairman, that it is he who has denied them the privilege to use the mails; he who was selected first from an ordinary clerkship to be Secretary to the President; then to a high Cabinet place; then transferred to the chairmanship of the Republican national committee to fry the fat out of the corporations to swell the great Republican campaign fund with which the election was won in 1904. He is now the head of this Department which to-day has denied admission to the mails at second-class rates this simple paper of a farmer, because, forsooth, it is undertaking to teach the doctrine of honesty, of upright living, and upbuilding the country by devotion to the land and to agriculture. [Applause.]

Post-Office Appropriation Bill.

SPEECH

OF

HON. WILLIAM S. BENNET,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Friday, April 13, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 16953) making appropriations for the service of the Post-Office Department for the fiscal year ending June 30, 1907, and for other purposes—

Mr. BENNET of New York said:

Mr. CHAIRMAN: The remarks of the gentlemen from California [Mr. HAYES], from Illinois [Mr. MADDEN], and my colleagues from New York [Messrs. OLCOTT, CALDER, GOULDEN, and GOLDFOGLE] have left very little to be said in regard to the absolute injustice of the present treatment of the postal clerks and carriers employed in the city of New York. It is a favorite answer to requests for increases of compensation to these clerks and carriers to say that if they do not want to do the work others can be found to do it at the same salary. Of course that is not a reply, as it is not a question of whether you can get some men, but whether you can get the best men for the service. I am informed by Mr. Willcox, one of the most efficient postmasters New York City ever had, that many of the best clerks resign from the service to accept better positions with outside business enterprises, and that by this the Government loses not only the service of good men but the cost of their education in practical service. Certainly this is not economy. As to the carriers, while the cost of living has increased materially in the last ten years, and greatly in the last forty, the salaries which they are receiving to-day are practically the same as they were receiving forty years ago. Certainly an increase in salary once in forty years is not an immodest request to be made. I have deemed it my duty to introduce bills having for their object the increase of pay of the letter carriers, the shortening of the hours of the clerks, and the permitting of clerks and carriers who have served a long term of years to be given a leave of absence under a system which would give them a small yearly payment and would not cost the Government anything. None of these bills have as yet been reported, but I am not without hope that justice will be done even at the present session. I am not one of those who cavil unreservedly at the Committee on the Post-Office and Post-Roads. I have come to appreciate that they have many difficulties with which to contend, and while I can not think that they have done and are doing justice to the carriers and clerks in large cities, I am at least in the frame of mind which was enjoined on the congregation in a western church by the sign over the organ, "Please don't shoot the organist; he is doing his 'level best.'"

Outside of the clerks and carriers there has been a distinct advance in the postal service in New York under the provisions of this bill and through the work of the Postmaster-General and our postmaster. Should the appropriation bill pass in its present form, as I am confident it will, and better yet, should it be amended so as to provide for ten-year contracts for tube service, the delivery of the mails in New York City will be greatly facilitated. The extension of the tube service authorized permits practically all the branch post-offices to be connected with the main post-office, so that packages of letters can be sent from the Grand Central Station to the general post-office and from Harlem to the general post-office or in either case to any branch practically instantaneously, reducing the time for the transmission of the mail from minutes and sometimes hours to seconds. This is of importance, not only to the people who live and do business in New York City, but to the whole country, as the foreign mails leave at varying intervals and a delay of half an hour in transmitting a western letter from the Grand Central Station to the foreign branch may mean the delay of weeks and months, not only to the letter going, but to the reply expected. Doubtless many a heartache and anxiety is to be added to the grave record of business delays which we endured last year when for a time tubes were not being used and the lumbering wagons leisurely carried our foreign mail from the Grand Central Station to the foreign branch.

Mr. Chairman, I feel confident that very few people appreciate the immense amount of work done in the New York City post-office, and a few figures may not be uninteresting, including, as they do, some instructive comparisons. In the general post-office in New York there were in 1891, 1,209 persons employed in the daytime alone. In 1902 there are 2,000. When we consider that the Federal courts and the United States district attorney are housed in the post-office building and that only the basement and first and fifth floors and a part of the second floor are occupied by the post-office, we can get some idea of how these employees are crowded together, and particularly when we recall the great amount of space used for halls. The receipts of the office have grown from over two millions in 1875 to seventeen millions in 1906, and the postal system in the county of New York earns a profit of nearly $11,000,000. The letter mail originating in New York in one day consists on an average of 2,059,455 pieces, weighing 47,894 pounds. In addition there are received from outside 327,874 letters, weighing 7,625 pounds. Pounches are sent out direct in 292 post-office sacks, on 183 routes. There were 1,727 of these pouches, of the total weight of 32,813 pounds. This is the letter mail alone. As to the newspapers, second, third, and fourth class matter, sacks of mail weighing 60 pounds each numbered 2,697 and weighed 161,820 pounds. There were dispatched in addition 620 pouches along 443 routes, 9,630 sacks, weighing 577,800 pounds. The total weight handled in one day in the general post-office in New York was 739,620 pounds. No one can accuse the city of New York of failing to take its part in the education of the country at large. In addition, New York handles the great bulk of the foreign mails, and on each day there is dispatched on steamers from New York 196 bags of letters, weighing 2,252 pounds, and 224 bags of papers, weighing 9,438 pounds. The total number of letters each day averages 2,479,213, the number of bags 11,777, the total weighing 784,123 pounds. In 1905 the city of New York handled 904,912,745 letters, put up in 4,298,605 bags, of a combined weight of 286,204,680 pounds. These tremendous figures are absolutely beyond the grasp of

one's comprehension and give an idea of the tremendous work done by the New York City post-office. In 1901 the receipts of this office were $6,991,790.40; the expenses were only 40 per cent of the income. The receipts for the fiscal year ending June 30, 1905, were $15,486,405.08. A brief statement of comparative figures will give an idea of the growth of the United States. In 1837 the entire income of the post-offices of the United States was $4,945,668.21. In 1862 the receipts had only reached $11,163,789.59.

The receipts of the New York post-office are now practically 12 per cent of the entire receipts of the whole United States. It will doubtless surprise most people to learn that every money order which is purchased at any post-office in the United States is eventually handled in the general post-office in New York, and that in 1905 the profits of the post-office in New York City on the money-order business amounted to $2,761,875.06, and there was paid in that office the sum of $39,218,579.81. Thus New York is not only burdened with its own money-order business, but is made to take part in the money-order business of every city, town, and hamlet in the whole Union. Then, too, take the subject of foreign mail. A person west of the Mississippi River and north of Mason and Dixon's line desiring to send a letter to England, Ireland, or France, or practically anywhere in Europe, buys his stamp in the western city, which gets the credit for it in its receipts. The letter comes to New York, is taken from the train, put on the steamer, and sent out and away by the force of the New York post-office; but New York gets no credit anywhere except in the comparative amount of mail matter handled. When the reply comes back, the foreign city gets the credit for the postage paid. New York again takes the letter from the steamer, sorts it, and transmits it to the West, again getting no more credit. I am sincerely glad that the thousands of men working in the New York City post-office in contracted space, in some cases 40 feet underground, and in some cases entirely by artificial light, and very often in a very bad atmosphere, have at least hope of relief through the additional space which is to be obtained at the new Pennsylvania and New York Central terminals. Congress has so far been generous in regard to these terminals, and with future appropriations for a proper building at the Pennsylvania Railroad terminal and provision for carrying the bulky mails on the subway trains, which I understand can be done, the postal service, not only all New York City matter to be delivered in New York City, but of the nation, originating outside of New York City and to be delivered through New York or in foreign lands, will be greatly facilitated. I can not too strongly impress upon the House that the interest of New York in this subject, while great, is in some respects less than that of the rest of the country. If our tube system in New York breaks down and we are compelled to rely on wagon delivery, we know it in New York, and can immediately utilize the telephone or telegraph and the district messenger. The western merchant and persons outside of New York whose letters to friends or business correspondence in Europe pass through our city have no way of facilitating their matters, as they have no warning of the breakdown in our purely local facilities. It is of the utmost importance to the whole country that so long as the New York City post-office handles so great a bulk of the country's mail matter that the facilities for the handling of it with safety and dispatch should be of the best.

In order to illustrate how the receipts of the New York City post-office compare with the various sections of the country, and therefore how the business compares so far as we can get at it, for, as already shown, New York City gets no credit in the receipts either for the foreign business of which it does so much or of the outside money-order business, which no other post-office in the country does—in order, as I said, to impress these facts upon the House, I have made some comparisons. The New England States put together earned during the fiscal year ending June 30, 1905, $12,944,047.48; all of the Southern States—that is, everything south of Washington, except California and Missouri—earned $15,470,780.58 during the same period. The New York City post-office for the same period earned $15,486,462.80, or $15,682.22 more than Virginia, North and South Carolina, Kentucky, Tennessee, Florida, Alabama, Georgia, Mississippi, Louisiana, Arkansas, and Texas combined. It will thus be seen how important it is to the whole country that this great office, doing so large a part of the country's postal business, should do it well, and I bespeak for our office whenever its needs are presented to this House a most kindly consideration.

The gentleman from Illinois [Mr. MADDEN] has endeavored to show that the receipts of the Chicago post-office are about as great as those of New York. Knowing the gentleman as I do, and knowing that there is no man in the entire House who would be slower to make an erroneous statement, I also know that he will appreciate it if I call attention to one error in his statement, i. e., that the post-offices in the outlying towns of New York are substations of the general post-office. I do not doubt that the gentleman from Illinois [Mr. MADDEN] obtained the information on which he bases his statement from what he deemed to be a reliable source, but nevertheless it was incorrect. The jurisdiction of the New York post-office covers only the island of Manhattan—the old county of New York—and the postal receipts of $15,486,462.80 were the receipts of the island of Manhattan alone. There are in the city of New York nineteen other post-offices, the names and receipts of which are as follows:

Brooklyn post-office		$2,046,869.93
General post-office (Manhattan)		15,486,462.80
Borough of Queens:		
Lond Island City	$714,463.86	
College Point	7,771.72	
Bay Side	2,039.14	
Far Rockaway	21,996.69	
Flushing	45,564.92	
Jamaica	63,716.79	
Whitestone	6,353.52	
		861,905.64
Borough of Richmond:		
Castleton Corners	3,010.42	
Mariner Harbor	4,886.18	
New Brighton	27,850.69	
New Dorp	10,385.64	
Port Richmond	14,729.08	
Prince Bay	3,073.44	
Rosebank	13,327.77	
Stapleton	40,425.21	
Tompkinsville	21,826.64	
Tottenville	4,398.45	
West New Brighton	28,624.09	
		172,537.61
Total amount for Greater New York		18,537,776.98

If we could include the surrounding post-offices, as the gentleman from Illinois [Mr. MADDEN] thought we did, our postal receipts would be nearly $21,000,000. Incidentally, the gross postal receipts for the entire State of Illinois were $15,316,020.15 for the fiscal year ending June 30, 1905, or over $170,000 less than for the island of Manhattan alone. These figures are given not for the purpose of boasting, but to indicate that when so bright, intelligent, and painstaking a Member as the gentleman from Illinois [Mr. MADDEN] is misinformed as to postal conditions in Greater New York, we can not wonder that the average citizen, even in our own city, fails to realize the magnitude of the business of our post-office.

Post-Office Appropriation Bill.

SPEECH
OF
HON. DAVID E. FINLEY,
OF SOUTH CAROLINA,
IN THE HOUSE OF REPRESENTATIVES,
Wednesday, April 11, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 16953) making appropriations for the service of the Post-Office Department for the fiscal year ending June 30, 1907, and for other purposes—

Mr. FINLEY said:

Mr. CHAIRMAN: The post-office appropriation bill now under consideration carries, in round numbers, $191,373,000 for the support of the postal service the next fiscal year. In the preparation of the bill the Post-Office Committee has endeavored to frame a bill giving to the country an efficient postal service. The result of this work may be found in the hearings, a volume of between five and six hundred pages. Of the bill now under consideration, and the very able and exhaustive report, so well written by the chairman of the Committee on Post-Offices and Post-Roads, it may be inquired, and properly inquired, if all the members of the Post-Office Committee are in favor of all of the provisions contained in the bill. This is not to be expected. The items of appropriation number many and vary from small amounts to very large sums. Forty-three million dollars, I believe, is the largest item in the bill.

Now, in discussing the bill and in presenting some of my views I shall not undertake to discuss the bill in detail, but I will confine myself as nearly as I may to one proposition, and that is the deficiency in the postal revenues and the cause of it, and not only this, but an endeavor on my part to answer some of the criticisms that have been made in various quarters as to the cause of this deficiency. I want to say that while the deficiency for the past fiscal year was large, for the present fiscal year it

will be very large. This deficiency can not be laid to rural delivery or any one branch of the postal service. The postal service of this country is the greatest business that is carried on to-day, not only in this country but in all the world, as a single proposition, and while I do not argue that this service is conducted in the most economical and efficient way, neither do I argue that there have not been abuses, that money has not been wasted, etc.; yet, on the whole, I submit that the American people have a postal service that is growing in efficiency and they are entitled to and demand the very best.

There is in some quarters a belief that rural free delivery has been developed and extended more rapidly than is necessary. I believe that it is only necessary for any fair-minded man to consider conditions in our rural districts, the good results that have followed its extension, to become convinced that the sooner this service is extended over all available territory the better it will be for the country as a whole. The appropriation for the present fiscal year is $25,120,000. At this time the number of routes in operation is 35,000, extending over an area of more than 700,000 square miles and serving a population of about 18,000,000. I do not believe it possible to estimate accurately at this time the benefits to the people who have by this service been brought in daily contact with the world. In a generation from now the historian will write about it in telling of the marvelous development of our country, and the economist will discuss the question, showing that efficient mail service to people in the country helped them to keep pace with development in the cities, towns, and workshops. A uniform development of the country is to be desired. We know that the cities and towns attract many people from the country, for the reason that better educational advantages and facilities for communication are wanted. If hourly delivery during the business hours of the day be necessary to give the business man in our great cities efficient mail facilities to enable him to properly conduct his business—and I think that it is, in many cases—then daily delivery of the mail to farmers all over this country is necessary when they show a compliance with the rules heretofore laid down by the Post-Office Department. I have made some investigation of the question, To what extent, if any, is the value of land enhanced by the establishment of rural delivery in a community? I have made hundreds of inquiries, and I do not remember that anyone has given a smaller estimate than $1 per acre; the estimates range from one to five dollars. If $1 per acre is correct, then land in the country has been enhanced in value by reason of rural delivery $448,000,000. If it has been enhanced $2 per acre, then twice this sum, or an amount equal to 1 per cent of the entire wealth of the United States. I estimate that twice the amount of rural delivery service provided for in the bill under consideration will complete the service.

The following table and statement is from the report of Fourth Assistant Postmaster-General P. V. De Graw, and, I may add, he is a good friend of rural free delivery:

PROGRESSIVE GROWTH OF THE RURAL SERVICE.

The growth of the rural service year by year is shown by the following table:

Fiscal year.	Appropriation.	Routes in operation.
1897	$40,000	83
1898	50,000	148
1899	150,000	391
1900	450,000	1,276
1901	1,750,000	4,301
1902	3,993,740	8,466
1903	8,054,400	15,119
1904	12,921,700	24,566
1905	21,116,600	32,055

CONDITIONS NECESSARY TO ESTABLISHMENT.

The purpose of rural free delivery is to carry the mails daily—on a fixed line of travel—to people who would otherwise have to go a mile or more to a post-office to receive their mail. It is required that roads traversed shall be kept in good condition, unobstructed by gates; that there must be no unbridged creeks or streams not fordable at all seasons of the year, and that each route of 24 or more miles in length domiciles 100 or more families. Routes less than 24 miles long are, in emergencies, established where they can not be made the standard length, but in such cases a proportionate number of families is required.

In the interest of safe and economical administration, it is recommended that a possible patronage of 100 families on a standard route of 24 miles, or a proportionate number of families on routes of less length, and that roads in good condition, unobstructed by gates, with all streams fordable at all ordinary seasons of the year, should be made by law conditions precedent to the establishment of rural free-delivery service; provided, that in completing service in a county the average patronage per route may be not less than 90 families; and, further, that service on rural routes be limited to one delivery and one collection daily, to be made at the same time.

I will refer briefly to some of the principal items of appropriation in the bill.

For compensation to postmasters, $24,000,000 is provided. This is regulated by law, and is only an increase of $250,000 over current law, and is an increase of $7,000,000 since 1900, or a little more than 41 per cent. If I should make any comment on this item, it would be to say that the Government does not properly compensate the fourth-class postmasters. This injustice I hope will soon be remedied by giving to them a substantial increase of salary.

For letter carriers in cities, $22,228,000 is provided. In my opinion, ample provision is made for letter carriers in first and second class post-offices. In the appropriation bill of 1900 $13,697,200 was provided, an increase of $8,598,572.81 since then, or more than 63 per cent.

The bill makes most liberal appropriation for clerks in the first and second class post-offices, $22,600,000, and $513,000 of this is intended for an increase of $100 each to clerks now receiving $600 to $1,100, inclusive. This, practically speaking, is all the Department asked for.

The following table shows the amounts appropriated for pay of clerks in post-offices, beginning with 1900:

1900	$11,518,862.19
1901	11,725,914.14
1902	13,051,648.81
1903	15,715,024.03
1904	18,113,900.00
1905	19,995,700.00
1906	21,000,000.00

There is an increase over expenditures in 1900 of $11,091.08, or more than 96 per cent. I am inclined to think that more money is expended for this item than is necessary for the good of the service. I am satisfied that unequal pay is given to clerks performing the same class of service and that in some of the larger offices the matter of employing clerks and of giving promotions is often abused.

For inland transportation by railroad routes $43,000,000 is provided, an increase of $9,725,000 since 1900, or over 29 per cent.

Is this amount too large? The law regulating railway mail pay is found in the act of 1873 and the amendatory acts, to wit: July 12, 1876 (19 Stats., 79), and June 17, 1878 (20 Stats., 142). These acts reduced the pay for transporting the mail 10 per cent and 5 per cent, respectively. Since 1878 there has been no reduction.

Railway mail pay and R. P. O. car pay is shown by the following tables:

Schedule of rates for railway mail transportation.

Average weight of mails per day carried over whole length of route.	Pay per mile per annum. Rates allowable under act of Mar. 3, 1873.	Rates allowable under acts of July 12, 1876, and June 17, 1878.	Rates allowable to land-grant railroads, being 80 per cent of allowance to other railroads, under act of July 12, 1876.	Intermediate weight warranting allowance of $1 per mile under the custom of the Department, subject to acts of July 12, 1876, and June 17, 1878.
				Pounds.
200 pounds	$50.00	$42.75	$34.20	
200 pounds to 500 pounds				12
500 pounds	75.00	64.12	51.30	
500 pounds to 1,000 pounds				20
1,000 pounds	100.00	85.50	68.40	
1,000 pounds to 1,500 pounds				20
1,500 pounds	125.00	106.87	85.50	
1,500 pounds to 2,000 pounds				20
2,000 pounds	150.00	128.25	102.60	
2,000 pounds to 3,500 pounds				60
3,500 pounds	175.00	149.62	119.70	
3,500 pounds to 5,000 pounds				60
5,000 pounds	200.00	171.00	136.80	
For every additional 2,000 pounds	25.00	21.37	17.10	
Over 5,000 pounds				80

No allowance is made for weights not justifying the addition of $1.

Rates allowable per mile per annum for use of R. P. O. cars when authorized.

	Per daily line.
R. P. O. cars, 40 feet	$25
R. P. O. cars, 45 feet	30
R. P. O. cars, 50 feet	40
R. P. O. cars, 55 to 60 feet	50

To constitute a "*line*" of railway post-office cars between given points, sufficient R. P. O. cars must be provided and run to make a trip daily each way between those points.

R. P. O. cars in service during the last fiscal year, 1,015, cost	$5,509,044.63
Cost per car	5,427.63
Cars in reserve, 215, not used, cost of R. P. O. cars, about	6,000.00

It must be borne in mind, however, that the rent for R. P. O. cars is in addition to the pay for transporting the mail. In 1894 the rate was estimated to be 12½ cents per ton per mile for transporting the mail, based on the law of 1878. I regret that I have no data showing average freight rate in 1878, but the figures show that in 1882 the average receipts per ton per mile for freight to be 1.24 cents, and the latest figures I have show that this has been reduced to seventy-eight hundredths of 1 cent, a reduction of a little more than 37 per cent in freight rates since 1882. The railway mail pay has remained the same during this period. The greater part of the mail is carried in postal cars, for the use of which the Government pays an annual rental of about $5,500 each. The cost to build one of these cars is about $6,000, and annual maintenance $1,200; so that the Government will pay to the railroads during the next fiscal year approximately $43,000,000 for transporting the mail, and for rent of postal cars in which the mail is carried, $5,875,000. The table quoted by me shows the rate of pay for postal cars, the number in actual use last year being 1,015.

The Second Assistant Postmaster-General is authority for the statement that the cost for R. P. O. cars is too great. I am of the opinion that the charge for R. P. O. cars is much too great and should be reduced.

The highest railway mail pay per mile per annum is 200 pounds, $50, and it is calculated that the lowest rate possible under the law is 5.8 cents per ton per mile, and the cost is anywhere from 10½ to 12 cents per ton per mile.

It is estimated that the railroads receive for hauling mail 110⅔ per cent more than for carrying express per ton per mile. In addition to this the Government pays for mail cars and employs and pays the railway mail clerks. This makes something like 170 to 180 per cent more that the Government pays than the public pays to express companies for similar service.

One-half the weight of the mails is equipment, mail bags, etc. For this the pay is the same per pound as is paid for carrying first-class mail. The committee has inserted in the bill a provision looking to the correction of this abuse. It reads as follows:

For pay of freight on postal cards, stamped envelopes, stamped paper, empty mail bags, furniture, equipment, and other supplies for the postal service, $250,000. And the Postmaster-General shall require, when in freightable lots and wherever practicable, the withdrawal from the mails of all postal cards, stamped envelopes, stamped paper, empty mail bags, furniture, equipment, and other supplies for the postal service in the respective weighing divisions of the country immediately preceding the weighing period in said divisions, and thereafter such postal cards, stamped envelopes, stamped paper, empty mail bags, furniture, equipment, and other supplies for the postal service shall be transmitted by freight.

Now, the particular item of appropriation that I shall dwell on to some extent and the one that has been the subject of great criticism is that for the rural delivery service. We know that, commencing a few years ago, this item has grown to a very large proportion. I want to say here and now, Mr. Chairman, that the reason for this growth is that there was a necessity for this service, and, there being a necessity, the people of this country made their wishes known to the Congress of the United States. Now, there has been a great deal said on this subject, particularly in the press. Every newspaper, not only in my district, but in my State, that I have had occasion to look over for months past has been filled with forebodings that this service was to be frosted, so to speak; that the further development of it was to be arrested. Not only this, but where rural service was actually in operation in many instances and to a large extent it was to be abolished. Now, I want to say I have looked into this matter as well as I can, and that for months my mail has been loaded down with protests from the people I have the honor to represent, asking me to stand up for this service and to see, so far as I am able to see, that these results are not obtained; but, Mr. Chairman, I think, and I say it after as full investigation as I have been able to make, that the fears of those interested in the continuance and extension of this service are stronger than the circumstances warrant. I do not believe the Post-Office Department will now or at any time in the future adopt a policy or rule that will seriously interfere with the rural delivery. I do not believe it.

Mr. JOHNSON. Will my colleague yield to a question? I do not know what the policy of the Department is, but I know one thing—I can not get any rural routes installed.

Mr. FINLEY. If my colleague will bear with me, I will come to that. Now, it is true that during the latter part of the past year and so much of the present fiscal year as has gone by that the people of this country have been unable to obtain the service with the ease and facility that they did before; but while this is true in part, I want to say to my colleague that I believe that the protests that have come up from the people have reached the Post-Office Department, as they have reached Congress, and your committee has, in the bill under consideration, provided more money for this service than the estimates of the Department call for, and I have no doubt that the Post-Office Department will take the action of Congress in the premises in appropriating more money than the estimates call for as the strongest possible indorsement of the rural delivery service which they will heed, and that in the future the extension of this service will not be delayed—it will not be retarded as it has been in the past. Now, if the Department will not do this, then it must be that the Department will take to itself the right and privilege of saying that Congress did not know what it was about in making the appropriation. The first estimate submitted was for the usual amount, providing for the usual increase in the service. All told, it amounted to $28,826,000. That was the original estimate. Subsequently, on the 19th of December last, a revised estimate was sent to the House, and, of course, referred to the Post-Office Committee. This estimate, and that is the one that has stirred up the country, called for only about $27,800,000, a reduction of $1,026,000 from the original estimate. But after the hearing on this revised estimate before the committee, in framing the bill they wrote into the bill the first estimate—$28,826,000—as appears in one of the printed bills for the use of the subcommittee. Subsequently, in going over the bill and finally shaping it, the committee reduced the amount by $626,000. So that the bill before the House to-day carries $400,000 more than the last estimate of the Department. I want to say frankly here what I have stated elsewhere—that my purpose was to have Congress show its position in the matter of the extension of rural delivery and that it would not indorse any policy or practice tending to a curtailment of the service or making its extension more difficult.

Mr. RIXEY. Will the gentleman allow me to ask him a question?

Mr. FINLEY. Certainly.

Mr. RIXEY. Is it not a fact that the superintendent of rural free delivery, by the inauguration of new rules, has been throwing obstacles in the way of the extension of rural free delivery?

Mr. FINLEY. I will say to my friend frankly the policy of the Department for the last twelve months has been to impose additional requirements as conditions precedent to securing the service.

Mr. RIXEY. I understand that the Department has adopted a rule that after petition has been signed by at least 100 families on the route, and the petition has been pending before the Department for some months, and the Department finally decides to act upon it, it then requires the postmaster at the particular point at which this distribution is to start to give satisfactory evidence that three-fourths of the people who have signed the petition will use mail boxes. Now, I want to suggest this to my friend, that the postmaster has not time to run over the 25 miles of route, and if he does he probably would not find all these people at home at that time, and the result is that there are great delays in the matter.

Mr. FINLEY. There is some misapprehension as to the effect of this particular order. It is not that 75 families out of 100 families on the route shall each procure a box, but that three-fourths of the families will make provision for a box for their use; one box may be used by half a dozen families. That is my interpretation.

Mr. RIXEY. I understand that; but what I complain of is that the Department has decided that before the service shall be put on, or before instituting this service, they require a certificate from the postmaster that three-fourths of the families living on the route will take boxes.

Mr. FINLEY. I will say to the gentleman further that this rule is thought necessary by the Department. If the gentleman will turn to the report, he will find that the appropriation for the star-route service last year was larger than ever in the history of this service, a great deal of the star-route service was duplicated by rural delivery service, and it was found necessary to make this requirement in order that the people who wished to patronize the rural free-delivery service shall show their intention to do so by securing boxes.

Mr. RIXEY. The fact that they signed the first petition ought to be evidence of that, but they have put in this other requirement, that the postmaster shall send in evidence that these people will take boxes, and if the postmaster does not do his duty these people are deprived of free delivery.

Mr. FINLEY. I am not defending this order that is complained of; yet I say to the gentleman that my position is that there is no section of the country entitled to both star-route and rural delivery service, under existing conditions.

Our first duty is to extend the rural delivery service to all available territory when demanded by the people.

Mr. RIXEY. I am not claiming that at all.

Mr. SMITH of Kentucky. I wish to state just at this point that while the appropriation for the star-route service may have been more last year than ever before in the history of the country, it is a fact, if I am correctly informed, that the amount was increased to that point by reason of the advance in contracts under a recent provision put into the post-office appropriation bill.

Mr. FINLEY. If my friend will excuse me, I will state that he is in error as to his facts. As a matter of fact, the reason why this appropriation for star-route service has not been decreased largely, from one to one and a half million dollars, is that there is a duplication of star-route and rural free-delivery service over a great part of the country. There can be no doubt about that.

Mr. SMITH of Kentucky. Is it not a fact, though, that the star-route service, by the route, is costing more now than it did under the old system?

Mr. FINLEY. It costs a little more, but, as was said here the other day, it does not amount to the difference that is found here in the appropriation.

Mr. SMITH of Kentucky. I prefer to have it as it is, even if it does cost more; I am frank to say that. I want the contract for the carrying of the mail let to some citizen residing along the route, rather than to have these routes put up a hundred in a bunch and let to some outside contractor.

Mr. FINLEY. I agree with you on that proposition.

Mr. RIXEY. Will my friend permit one question further?

Mr. FINLEY. Yes.

Mr. RIXEY. I am complaining in regard to the requirements for the rural routes and not the star routes.

Now, another thing. In some cases, after they have established this rural free delivery and made it a daily service, the Department is now contemplating giving the people a tri-weekly service instead of a daily service. Now, is that right?

Mr. FINLEY. No, it is not; and I say frankly to the gentleman that if he will go through the hearings before our committee he will find that my position on that is very clearly stated. I stand for the rules of the Department as they have been practiced all the time heretofore up to this new departure which we are now discussing, namely, for a standard route—24 miles, an average of four families to the mile, the roads in passable condition, and the streams bridged or fordable at all times of the year; so that when these conditions are met—and I will say further that I have no objection to the requirement that the majority of the people, at least one in a family, shall be able to read and write, because that does not affect the country at large generally—but when all these conditions are met and are shown to the Department to exist, then I stand for the proposition that the people along that route are entitled to the rural delivery service, and, if the committee will excuse me, I will add that two years ago I contended with the Post-Office Department for the rule stated. Investigation of a petition for rural delivery service on a route in my district was made and all of the conditions that I have enumerated and that were required by the rules of the Department were found to exist. I believe there were 130 or 140 families on the route. At least one person in each of 100 families could read and write. The roads were fairly good and the streams were fordable at all seasons of the year. The agent who went there reported that route unfavorably on the ground that the great majority of the people who would be benefited were poor, the majority of the patrons were negro families and poor, that they received very little mail, etc. So that when I found that report had been made I took it up with the then Fourth Assistant Postmaster-General, J. L. Bristow, and after some considerable discussion I secured my contention by action on his part reversing the rural agent's report, which was unfavorable, and the route is in operation to-day.

Mr. RIXEY. Now, right there, what is to prevent the Department from substituting this tri-weekly for the daily service after it is instituted?

Mr. FINLEY. I want to say to my friend that there is nothing to prevent the Post-Office Department from doing 10,000 things that would be criminal in result.

Mr. RIXEY. I know the fact that they are threatening to do this in a number of instances now.

Mr. FINLEY. I understand the gentleman's contention, and I know that the belief is widespread; but, as I said, I do not believe after Congress has acted in the premises and appropriates for the service more than the estimate calls for that they will continue the practice.

Mr. SMITH of Kentucky. Do I understand the gentleman from South Carolina justifies the rule that the gentleman from Virginia says prevails in the Department of requiring the postmaster at the initial point to assure the Department that three-quarters——

Mr. FINLEY. In the matter of boxes?

Mr. SMITH of Kentucky. Yes.

Mr. FINLEY. I justify it to this extent, that where there is star-route service in that community, if desired by the Department, they should give an assurance whether the people would patronize the rural service or whether they wished to retain the star route. I know of no other way.

Mr. SMITH of Kentucky. Is not the fact that they petition for a rural route evidence conclusive that they prefer the rural service to the star-route service?

Mr. FINLEY. Well, I will say that it is some evidence; but one of the greatest abuses of the postal service is that in a great part of the country there is duplicate service by both the rural and star-route service. It is at the expense of millions of dollars to the American people.

Mr. RIXEY. But the gentleman knows that it is contrary to the rules of the Department to establish a free delivery over the same route as the star route.

Mr. FINLEY. I know of no such thing; it is not true.

Mr. SMITH of Kentucky. They do not do it in my country.

Mr. FINLEY. If the gentleman will read the hearings, he will find that he is mistaken.

Mr. RIXEY. Does the gentleman from South Carolina mean to state that the Department will establish a rural delivery over identically the same route that is covered by a star route?

Mr. FINLEY. In hundreds and thousands of instances, to a large extent it is true.

Mr. RIXEY. I know that the Department has told me over and over again that it would not establish a free delivery over territory covered by a star route and continue the star route, too.

Mr. FINLEY. I will make the gentleman a present of a copy of the hearings covering that point.

Mr. CLARK of Missouri. Mr. Chairman, I would like to illuminate this point for three sentences.

The CHAIRMAN. Does the gentleman from South Carolina yield to the gentleman from Missouri?

Mr. FINLEY. I will yield to the gentleman.

Mr. CLARK of Missouri. Mr. Chairman, the gentleman from South Carolina is right in his statement and the gentleman from Virginia is wrong, and the gentleman from South Carolina is wrong in his reasons. [Laughter.]

Mr. FINLEY. That is encouraging.

Mr. CLARK of Missouri. Well, I say it in all kindness. It is absolutely necessary in some cases to have both a rural route and a star route over precisely the same ground.

Mr. SMITH of Kentucky. To what extent?

Mr. CLARK of Missouri. I will illustrate. Right south from where I live there is a gravel road 7 miles long, one of the finest roads in the country. I had a star route over that abolished and a rural route established. Then it turned out that for the benefit of the community I had to have a new rural route established from the south end of this gravel road running around in a three-cornered piece and coming back to the south terminus of the gravel road. The rural carrier had to zigzag along going south over this 7 miles of gravel road, but he could not get the mail to the south terminus of this road early enough.

Mr. FINLEY. If the gentleman from Missouri will excuse me, I am familiar with that condition. I said duplicate service. I never contended that because a rural route would run over a portion of a star route that that would be duplicate service; it would not. But my contention is that there are hundreds and thousands of cases of duplicate service where practically all territory over which the star route is carried is gone over by the rural carrier.

Mr. CLARK of Missouri. That ought not to be allowed.

Mr. FINLEY. That is my contention.

Mr. SMITH of Kentucky. They do not allow it in my country.

Mr. RIXEY. They do not allow it in mine.

Mr. FLOOD. Will the gentleman from South Carolina tell us what the remedy is and what the gentleman proposes?

Mr. FINLEY. The gentleman will find in the bill here a provision that resulted from this condition and that originated in the hearing, and I think that it will effect good results. The provision provided that the Postmaster-General may, in his discretion, order the discontinuance of any star-route service where it is duplicated by rural free-delivery service.

Mr. FLOOD. I would suggest the gentleman make it mandatory on the Postmaster-General.

Mr. FINLEY. I suggest to the gentleman, who knows as well as I do, when you place very many strongly mandatory provisions on an appropriation bill you will not get it through the

House, as it is subject to a point of order. I want to put it as strong as possible, and I will say I want to go further; I want to write it in the bill as positive law what requirements are necessary to entitle the people of this country to rural delivery service.

Mr. RIXEY. Will not my friend also require that this service shall be daily and shall not be reduced?

Mr. FINLEY. I am entirely willing for that, and, as I said a while ago, while I am willing to do that, I know I am unable to do it. I am on the committee, and here is a recommendation in the report of the Fourth Assistant Postmaster-General that ought to be enacted into law, covering, to a large extent, the various subjects that we are discussing here and the action and policy of the Post-Office Department; but if Congress will enact this positive declaration as regards rural delivery, which——

Mr. FLOOD. May I ask the gentleman a question?

Mr. FINLEY. Certainly. I want to say to the gentleman my time will expire shortly——

Mr. FLOOD. I just want to ask the gentleman if he does not know it is the purpose of the Post-Office Department to reduce the number of deliveries and a great number of rural free-delivery routes within a short time?

Mr. FINLEY. I say this, that in a few instances that has been done, and that I am one of those who are very strong in the matter of hope, and hope that this will not be done in any instance, except it be a very extreme case, where there is no sort of necessity.

Mr. FLOOD. It will be done, unless Congress stops it.

Mr. FINLEY. That is what I am urging.

Mr. JOHNSON. How are you going to tell there is any necessity for a service? Let me illustrate that. I was talking to a rural carrier in my district the last time I was at home. I asked him how many pieces of mail he handled when he first started, and he said 800 pieces a month. He now carries 6,000, and according to the Department's reasoning when these people were only taking 800 pieces of mail they did not appreciate it, and therefore their policy would be to stop it.

Mr. FINLEY. Well, Mr. Chairman, that is true, as my colleague states, and the very condition that he states exists in my district and in every other district; but I want to say I stand for the service as it has been conducted before the present policy was inaugurated, and I stand for an extension of it to the very fullest possible extent; but we all know that the power of the Department is enormous, and I believe that the majority of the Members of Congress will agree with me that when we appropriate more money here than the Department asked for, that this action shows that Congress is in favor of the service being extended, as it has been in the past, and that the action of the Department is not approved of by Congress.

Mr. FLOOD. Does not the gentleman think that we should pass a law prohibiting the Department from cutting out the deliveries of this service?

Mr. FINLEY. I will say to my friend I will join him and every other Member of Congress in that, and favor enacting a law covering the subject.

Mr. GAINES of Tennessee. Why, and how many, and where were these services cut down?

Mr. FINLEY. My impression is there have been about forty-nine routes discontinued.

Mr. GAINES of Tennessee. Where?

Mr. FINLEY. Eighteen of those forty-nine were in the South and eleven were in the State of Kansas, and quite a number, I believe, in Washington County, Pa.

Mr. GAINES of Tennessee. Well, why were they cut down?

Mr. FINLEY. Well, for various reasons. My colleague [Mr. LEVER] has a letter covering the subject.

Mr. LEVER. Mr. Chairman, in January I wrote to the Fourth Assistant Postmaster-General and asked for the information my friend wants. I asked him to give me particularly the section of the country where this new policy of having routes handle from two to three thousand pieces of mail per month operated against, and the Department writes me as follows:

> As to your inquiry relative to the section of the country which shows the least patronage of rural delivery, I happen to say that the Department is not in possession of data as to the amount of families patronizing all routes. The average amount of mail handled per route is not an absolute indication of whether there is a lack of patronage, as a given number of people on one route may take more mail than the same number on another route.
>
> The States included among those handling less than 3,000 pieces of mail per route per month are Indian Territory, Kentucky, Tennessee, Florida, Louisiana, South Carolina, Oklahoma, Texas, District of Columbia, Georgia, Arkansas, Virginia, Alabama, North Carolina, and Mississippi. And if you will look at your map you will see what that means.

Mr. FLOOD. But they are having these pieces counted right now with a view of cutting out the number of deliveries.

Mr. FINLEY. I do not think there will be any route discontinued because of this count. When I ascertained that a count had been ordered on the 1st of April, I went to the Department and complained that the count was stopped on the 1st of January, and protested that if they made a count as to the number of pieces of mail carried on the route beginning April 1 this would not indicate the amount of the business, because the amount of mail on these routes varied constantly. The quarter beginning April 1 being the poorest in the year, my understanding is they will not use this count for the purpose of discontinuing any routes.

Mr. FLOOD. I want to tell you why I talk so emphatically is because I have gotten it from the Department and from a number of people interested in this work in Virginia, in my district.

Mr. GAINES of Tennessee. If the gentleman will permit me to ask the gentleman a question, as he seems to be speaking from the book, what do I understand the gentleman to say has been done with reference to the counting out of routes?

Mr. FLOOD. My information was that they are counting the pieces of mail with a view of reducing the number of deliveries per week upon each route.

Mr. LEVER. The Postmaster-General in his report recommends that very thing—that the service can with propriety be reduced to a triweekly service.

Mr. FINLEY. I am aware of that. I was trying to answer my friend in reference to the general belief that they are conducting a count beginning with the quarter of April.

Mr. FLOOD. They make a count of the number of pieces of mail at each particular box on the route, and they are certainly doing it for the purpose of reducing the number of deliveries on those routes.

Mr. FINLEY. I do not disagree with the gentleman except in one of his propositions. I disapprove of the policy of the Department during the present fiscal year as much as he does. But I have stated here my belief that in the future there will not be the same cause for complaint that there has been in the past.

Mr. GAINES of Tennessee. Does not the gentleman think we ought to make more law for the Post-Office Department and eliminate the rules, so as not to allow discretion to control these matters?

Mr. FINLEY. I am in favor of enacting into law the recommendations of the Fourth Assistant Postmaster-General on this very question. These are ample.

Mr. GAINES of Tennessee. They are exercising powerful discretion down there.

Mr. FINLEY. Now, to proceed, Mr. Chairman, the Third Assistant Postmaster-General, who is a very delightful gentleman, well posted in his Department, and a very able official in a great many respects, in his report on the deficiency of the postal service, rather in the way of an argument, undertakes to account for it largely because of the expense of rural free delivery, and he gives figures and compares the increased appropriation for rural delivery with the deficiency of the postal revenues for several years past. Some people have undertaken to account for it by stating that rural free delivery was entirely too well provided for—too much money was expended for that purpose. The newspapers, when they come to give an excuse for the deficiency in the postal revenue, contend that too much money is appropriated to the railroads for carrying the mails. So that we have a three-cornered fight. The people in the country standing by rural delivery; the newspapers, 99 out of 100, stand for the rural delivery service. I want to say that it is not convincing for my friend the Third Assistant Postmaster-General to make the argument he does, as strongly as he does, and not give other instances and illustrations that would be just as apt to prove his contention that there is a postal deficit. We all know there is a postal deficit of about $14,000,000, and how to cure it is the question. Now, I want to say——

Mr. SIMS. Under what necessity, moral, legal, or otherwise, have we to cure it? If necessary to have good service, who cares whether there is a deficit or not?

Mr. FINLEY. I will say to the gentleman that as a matter of economy in government——

Mr. BURLESON. Every other country has a surplus.

Mr. FINLEY. If more money is expended for any branch of the service than is necessary to give the people of the country a good service, why, then, those excesses should be cut off, those abuses should be stopped, and if the gentleman will pardon me, I think I will point out some matters where I think we can correct some of these abuses.

Mr. SIMS. I do not agree with the idea that we must

not have an efficient postal service unless it pays for itself. We might just as well not have an army or militia unless it pays.

Mr. FINLEY. I do not stand for the contention that the postal service should be as a matter of principle self-sustaining. I do not stand for that at all.

Mr. MURDOCK. But you ought to stand against a deficit as a matter of policy and of good service.

Mr. FINLEY. As a matter of policy and good administration and economy of service and efficiency of service, if a deficiency can be avoided along those lines, then I stand opposed to any postal deficit. So I want to say that we have been very liberal in providing for the great centers of population in this country, the cities in this country. We appropriate for postmasters' salaries, $24,000,000. This is an increase of only $250,000 over the current law. These salaries are regulated by law, but this is a very large item of expense, and before I get through—these items I propose to mention—I will show that they are made necessary by other branches of the service. For letter carriers in cities $22,228,000 is appropriated in this bill. This is a very liberal appropriation, and, I believe, includes all that the Post-Office Department has asked for.

For the pay of the carriers at first and second class post-offices you appropriated, as I have already stated, an increase of $8,598,000 over 1900, or an increase since 1900 of more than 63 per cent. The bill makes appropriation for clerks in first and second class post-offices, about whom my friend from California spoke so eloquently this morning, $22,600,000, and $513,000 of this is intended as a straight increase of salary in classes of clerks ranging from $600 to $1,100, inclusive. Now, this is an increase over 1900 of over $11,000,000, or about 100 per cent in these six years. In my opinion, that is very fair and very liberal toward this class of postal employees; nearly 100 per cent increase since 1900, and the pay there, I believe, is as good as it is in any other branch of the Government for the service rendered to the Government.

Mr. LEVER. Let me ask if you have provided any increase for the railway mail clerks?

Mr. FINLEY. We have not provided any direct increase. We have provided for the growth of the service, and I will add here now, that this is one class of employees that have always had and always will have my warmest sympathy. There is a provision in the bill, however, that is favorable to them, and one that I am heartily in favor of; that is a provision giving to those people some sort of an annual leave, something that they have never had before. It is not much of a provision that is made for them, but the bill does provide, wherever these railway postal clerks have not heretofore been entitled to leave, that they may have a sick leave, and they can put in a substitute. The pay for the substitute, however, comes out of their pay and they only receive the difference.

Mr. MURDOCK. That is in cases where they work six days a week.

Mr. FINLEY. Where they work six days a week.

Mr. SMITH of Kentucky. The gentleman wouldn't require them to be sick six days in order to get the benefit of the provision?

Mr. FINLEY. No; and I do not think this is much of a provision. I am in favor of a more liberal one.

Mr. FREDERICK LANDIS. Are they not the only class that do not get a vacation every year?

Mr. FINLEY. No; they do not get a vacation, and the rural carrier gets none except on legal holidays. In my view both classes of these public servants should be treated fairly and given the same consideration in the way of annual leave and sick leave that is given to other employees in the Government service. The salary of the rural carriers should also be increased to $900.

Mr. SIMS. Mr. Chairman, I do not want to be placed in a false position or in an awkward position.

Mr. FINLEY. Oh, the gentleman couldn't do that.

Mr. SIMS. I did not mean that there should not be economy in the postal service, but I do not think the extension of the service should any more depend on the receipts than the existence of a court should depend on the fines which are collected.

Mr. FINLEY. That is true, but my friend from Tennessee alludes to the whole service, including the rural delivery service.

Mr. AIKEN. I want to ask the gentleman if the star-route service does not now cost the Government nearly $2,000,000 more than it did eight years ago, at the time of the establishment of the rural free delivery?

Mr. FINLEY. I think my friend is too modest in his estimate. In 1900 the expenditure for the star route was $5,088,233. Last year it was $7,326,596.57—more than two million increase since 1900.

Mr. AIKEN. At the time of the institution of the rural free delivery, was it not contended generally in the House and by the newspapers and the public that by the establishment of the rural free delivery the star-route service would be greatly reduced?

Mr. FINLEY. Yes; that the expense of star-route service would be largely dispensed with. I say frankly that if the Government would administer the rural free-delivery service and the star-route service according to my views of what the law contemplates, this result would be accomplished to a large extent.

Mr. GAINES of Tennessee. Will the gentleman allow me to divert him on a question which has given me some trouble? There is a bank in St. Louis which has been closed by post-office order. I have letters and petitions and petitions and letters until I am nearly worn out carrying them about. Does the gentleman know whether the Department abused its discretion in closing up the concern?

Mr. FINLEY. I will say to the gentleman that I have heard about it, but I know nothing of the facts in that case. I have made no study of the facts in connection with it, and know no more about it than any other Member of the House and probably not so much as some. I may say that under the laws of the United States the Postmaster-General can issue a fraud order against my friend here, Mr. BURLESON, and shut him out from the mails——

Mr. JOHNSON. And he has no day in court.

Mr. FINLEY. And if he has any redress, I do not know what it may be. In all such cases the party should have a day in court.

Mr. GAINES of Tennessee. If there is an abuse of discretion, we can control it.

Mr. SMITH of Kentucky. Why does not the committee offer some measure to correct that situation? No official ought to have that much power vested in him.

Mr. BARTLETT. I think the gentleman from Kentucky is a member of a committee that has a bill introduced by the gentleman from Indiana [Mr. CRUMPACKER] to give these people a right of appeal, and I think it ought to be reported.

Mr. SMITH of Kentucky. If there is such a bill before the committee, the committee's attention has not been called to it by the gentleman from Indiana, the author of the bill, at least when I have been in attendance on the committee, and I am usually there.

Mr. BARTLETT. I know the gentleman is.

Mr. SMITH of Kentucky. I want to say, further, that if there is such a bill before the committee I am going to support it most enthusiastically. I do not want any doubt left about that, because I am in favor of taking away arbitrary power from anybody.

Mr. BARTLETT. I will give the gentleman the number of the bill. It is H. R. 16548.

Mr. FINLEY. The Post-Office Committee would not have jurisdiction of the bill mentioned.

Mr. SMITH of Kentucky. I understand that. I do not doubt that there are many items in this bill reported by the committee of which they have no jurisdiction under the rule.

Mr. FINLEY. Now, to go on to another branch of my argument in showing why there is a deficiency. Take the second-class mail. I listened with a great deal of interest to my friend from Missouri [Mr. LLOYD], my colleague on the committee, and I want to say that when he figured out the cost of carrying second-class mail at two and a fifth cents per ton per mile, that in my view he did not calculate all the cost that is made necessary by reason of second-class mail. Now, one of them would be the mail equipment; that is made necessary by this large amount of second-class mail. Not only this, but the clerks in post-offices, carriers in city post-offices, railway mail clerks, in large numbers, increased by the thousands, are made necessary by this class of mail matter, and when you go to calculating the cost of second-class mail matter, I submit that the statement of the Postmaster-General that it costs from 5 to 8 cents a pound to handle this class of mail matter is correct. Not that it costs 8 cents a pound to carry it, but when you take into consideration all the costs in connection with second-class mail matter, I believe 8 cents a pound is a very modest estimate. In the last fiscal year the amount of second-class mail carried at 1 cent a pound was 618,664,754 pounds, cost to the Government for handling 8 cents a pound; loss to the Government, $43,306,532.78, or more than three times the deficiency.

Mr. LLOYD. I have made a very careful computation about the matter, and if you will turn to the RECORD you will find my speech in it, and I say the total amount that is paid for every

pound of mail matter that goes into the mail has cost 7.6 cents; that includes postmasters, clerks, and all expenses.

Mr. FINLEY. Well, I can only say everybody in this country who has ever considered the cost of handling mail and the transportation of mail, including Professor Adams, the Wolcott commission, and the Post-Office Committee, the gentleman from Missouri and myself—no two people have ever agreed.

Mr. LLOYD. But, if you please——

Mr. FINLEY. I will say this to my friend, that my time is being exhausted and two-thirds of it has been taken up in answering questions of my friends. I only have a few minutes more, and I want to mention something else. It is second-class mail matter, too. If you can bring the Sunday newspapers of this country down to anything like a basis of weight that the editions have during the week you will wipe out this postal deficit. We have in this country newspapers, as I believe, constituting the best and most enlightened press in the world. [Applause.] I believe the liberties of the people in this country are in their keeping to a greater extent than in the keeping of any other class. But talking about the deficit, some time ago I wanted to settle this matter for myself as well as I could, so I took myself to a news stand and bought Sunday editions of seven great dailies of the country. One of them was from Boston, I believe three were from New York, one from Philadelphia, and one from St. Louis, possibly, and so on. I tried to be generous in selecting those papers, and I found in one New York paper that the Sunday edition weighed 15 ounces, the Monday edition weighed 3 ounces; that in the case of the Philadelphia paper the Sunday edition weighed 15 ounces and the Monday edition weighed 4 ounces; St. Louis paper, the Sunday edition weighed 17½ ounces and the Saturday edition weighed 3½ ounces, and the Boston paper Sunday edition weighed 18 ounces, and I was not able to secure a weekday edition; and in the case of another great daily, and I believe it is claimed by a great many people to be the greatest daily newspaper in this country, the Sunday edition weighed 28 ounces.

Mr. FREDERICK LANDIS. What paper is that?

Mr. FINLEY. I would not like to cause the proprietors of these great newspapers the notoriety that calling their names here would give. I will say, however, that they comply with the law, and are only doing what they have a right to do. The Sunday edition weighed 28 ounces, and the Monday edition 4½ ounces. Well, I then gathered up a lot of weekly newspapers, all of them from my own district—and I will say they are about as good as there are in the country, if not the best. [Laughter and applause.] I gathered up seven of these, and put them in a bundle and weighed them. These seven country newspapers have no Sunday edition, and they weighed 9 ounces, a little more than 1 ounce each.

Mr. MURDOCK. Of course these weekly newspapers which you weighed are carried free.

Mr. FINLEY. Not all of them. They are carried free in the county of publication; and if they were carried free, a whole edition of these papers would weigh very little. One hundred copies of one of these great daily papers—Sunday edition—would weigh far more than the average edition of the average weekly newspaper throughout the United States.

So that when you come to speak of causes, and to give reasons for deficiencies in the postal revenues, you can pick out any number of items contributing thereto. Here is the railway-mail pay, and a great many other things that I regret very much I have not had time to go into fully. When you undertake to reform the postal service, the work to do is abundant. The Committee on Post-Offices and Post-Roads have made some recommendations and promise further action. On the freight proposition we make an appropriation, and in the next fiscal year we exclude from weighing of the mails the weight of mail equipment, including mail bags, and so on, and then after that time it is intended to transport this mail equipment by freight. The committee has incorporated in the bill a provision that this be done, as the weighing season is reached in each of the four weighing districts of the United States. To be sure, it will take four years to get all round.

Now, as to the abuse of second-class mail matter, there is a provision in the bill providing that the Post-Office Department shall gather up information so that they may be able to tell us when we meet next year the amount of all second-class mail matter of the various kinds there are, and the weight of it.

In my opinion, if the penalty privilege given to the Departments of the Government was abolished, I am inclined to think there would be no deficiency in the postal revenues. I believe that if the Members of Congress were given an allowance in place of the franking privilege, that would cover, to a great extent, the postal deficit.

Mr. GAINES of Tennessee. How would you regulate that?

Mr. FINLEY. In the way we regulated it in 1873.

Mr. GAINES of Tennessee. How?

Mr. FINLEY. Why, it was abolished.

Mr. GAINES of Tennessee. Abolish what?

Mr. FINLEY. The franking privilege.

Mr. GAINES of Tennessee. Now, do you think you could possibly answer your letters if you had to pay for the stamps? I know I could not mine.

Mr. FINLEY. Now, I said, if the gentleman from Tennessee will pardon me, give Members of Congress an allowance.

Mr. GAINES of Tennessee. For what?

Mr. FINLEY. For stamps and postage.

Mr. SMITH of Kentucky. Just like they do for stationery.

Mr. FINLEY. If you will take the hearings and go through them, you will find the Post-Office Department ships trucks, the Treasury Department ships iron safes weighing thousands of pounds, and the War Department ships billiard tables, etc., through the mail—all contributing to the deficit. [Loud applause.]

Salaries of Letter Carriers.

It is not right or honest for a great government to ask men to work as hard as letter carriers do for salaries inadequate to meet the cost of living; it is not fair to ask these men, who ought to be encouraged to bring up their families properly and well, to work for salaries that do not meet the cost of decent living.

SPEECH

OF

HON. HENRY M. GOLDFOGLE,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, April 12, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 16953) making appropriations for the service of the Post-Office Department for the fiscal year ending June 30, 1907, and for other purposes—

Mr. GOLDFOGLE said:

Mr. CHAIRMAN: In rising to support the amendment I have offered to increase the salaries of the letter carriers, I feel that I am but asking the Government to do a just and an honest act toward an efficient class of Government employees who are entitled to our fair consideration.

It is almost a quarter of a century since the pay of the letter carriers was fixed by law. Within that quarter of a century there has been a marvelous growth in the population and in the business interests of this country. Within that period of time the cost of living has greatly increased in the cities of the Union, and the conditions that obtain with regard to living expenses are now such that common justice to the letter carriers requires that their pay should be increased.

Let us for a moment consider what, after all, this amendment practically involves. All that it proposes is an increase in the appropriation for the pay of the letter carriers in cities of only $2,027,800; and this sum is to be spread throughout the cities of the Union in which the amendment contemplates the increase. It is not a large sum for a great country such as ours to pay deserved increases to a meritorious class of Government employees.

The letter carriers, as well as the postal clerks, constitute a most efficient class of public servants. In storm and in sunshine, in season and out of season, in every condition of weather and under every stress of circumstance, the letter carrier has performed his duty faithfully and well.

I am voicing the general demand of the public in the large cities when I ask for an increase of the letter carriers' pay. Men of business affairs, fair-minded men who believe in paying fair wages for a fair day's toil, are in favor of the proposed increase. Organized labor has very justly and properly demanded that the salaries of the letter carriers should be increased, and this demand of organized labor has been well justified. So that, Mr. Chairman, public opinion coming from every source—from the capitalist, from the business man, from the ranks of labor, and from every other interest that has a right to raise its voice in public matters—will justify this Congress in making the increase, which the letter carriers certainly well deserve.

This is not the first time, Mr. Chairman, that I have stood upon this floor asking and imploring Congress to raise the salaries of the letter carriers, nor is it the first time that others of my associates in this House have made similar requests of Congress; yet the Post-Office Committee has thus far been deaf to these entreaties, and those advocating the increase have been

powerless. The majority that rules and controls the House afford no relief, and hence our demands in this honest cause have gone unheeded. Bills have been introduced year after year to increase the salaries of the letter carriers, yet these bills have been smothered in the committee room. The majority in control of this House represented on the Post-Office Committee have not allowed the bills to see the light of day so that a vote could be taken upon them and the sentiment of the House fairly ascertained.

We have time and again increased salaries of other Government employees much less deserving and in almost every branch of the public service; yet, somehow or other, and for reasons I can not understand, the letter carriers' service has not received the recognition it is entitled to.

The letter carriers are not in a pensioned class. When after years of service they have grown old and suffer from the infirmities incident to old age, they have nothing to fall back upon in the way of a pension. The small pittance now paid to them by the Government does not permit them in the large cities of the Union—certainly not in the cities of New York, Chicago, Philadelphia, and Boston—to lay aside anything out of their small pay so as to provide for those contingencies which usually arise in the case of men old and worn-out with service. After the years have gone by and the letter carrier who has trudged the streets under heavy loads of mail from day to day is required to leave the service, he finds himself, as a general rule, without means. And yet he has been one of the most efficient and serviceable men in the Government's employ.

Surely this is not the way that a fair-minded and an honest business man would treat his private employees.

I ask the chairman of the Committee on Post-Offices and Post-Roads, in the exercise of what I consider would be a most worthy generosity, not simply to reserve the point of order, which he has so courteously done, but to withdraw the point of order, so that the amendment can come squarely before the House for a vote. Then the judgment of this House can be fairly ascertained. This would be the fair way of disposing of this question now; and, in the name of common fairness, I ask the distinguished chairman of the committee, who has the bill in charge, to withdraw his point of order and let us get a vote upon the amendment.

Under the peculiar rules of this House and the procedure that obtains in this body, rules and procedure that were criticised recently, there is no way by which we can force for consideration by the House the bills for the increase that now lie in the committee room. It is for the Committee on Post-Offices and Post-Roads to report the bill in order that we may get the judgment of the House upon it, or else the chairman of the committee having the appropriation bill in charge at this moment can withdraw the point of order and give the House an opportunity to vote.

To smother the bill in the committee room, to let it sleep the sleep that knows no waking, is unjust to the citizen, unjust to the cause of labor, unjust to the Member of the House who introduced the bill, and unjust to the country. I believe if a vote were now taken upon my amendment a large majority of the Members of this House would favor it. Even then the question will still be open for the House to determine whether that amendment shall remain in the bill or be stricken out. If there be any opponents of this bill in the House now, they will have two opportunities offered—one to oppose the amendment now and one when the House again goes into session as such.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GOLDFOGLE. I ask unanimous consent that my time may be extended five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none.

Mr. GRONNA. Will the gentleman from New York tell me what is the average salary of a city letter carrier?

Mr. SULZER. About $900.

Mr. GOLDFOGLE. About $900. I am glad that the gentleman from North Dakota asked the question.

Just think of it! In the great city of New York, where rents are exceedingly high, where the expense of living is very great, $900 is the average sum paid to the man who works from early morn until evening, trudging under heavy loads of mail and performing his work with intelligence and fidelity. In that city there is delivered in the aggregate, I believe, over 2,000,000,000 pieces of mail matter per annum. Is it not shocking, then, to think that in that city, as in the cities of Chicago, St. Louis, Boston, Philadelphia, and other large cities, the average pay of the letter carrier is but about $900? Do not forget that when a carrier absents himself for a single day from service that day's pay is deducted from his salary.

Hardly another class of Government employees are held so stringently to the observance of the rules of their Department as are the letter carriers; and I ask the chairman of the Post-Office Committee, as I now ask the Members of this House, whether in common justice to these men the hour has not arrived when their salaries should be increased?

Mr. Chairman, New York City pays into the Treasury of the United States over $13,000,000 net revenue from postal receipts in the metropolis. Take but a little over $2,000,000 from that $13,000,000 that New York City furnishes to the Treasury as her net contribution from the postal service and you will have from that source alone a sufficient sum to meet the increase contemplated by my amendment for all the cities.

Mr. GRONNA. Will the gentleman yield for a question?

Mr. GOLDFOGLE. Wait a moment. In other words, if you will take out of the $13,000,000 New York City contributes to the Treasury $2,027,800 to meet the aggregate amount required for the proposed increase in all the cities provided in the amendment you still have a balance from New York City's net revenue of almost $11,000,000.

I now yield to the gentleman from North Dakota.

Mr. GRONNA. Is it not a fact that the letter carriers in the cities receive $960 a year, and that the rural letter carriers only receive $720 and have to furnish their own conveyance?

Mr. GOLDFOGLE. I am not certain whether it is an average of $900 or $960; but suppose it is the latter sum, what difference does that make? Will the gentleman from North Dakota, who in all probability is not familiar with conditions in our great cities, bear in mind that $60 to us is a mere bagatelle? What difference does it make whether the average pay be $900 or $960? Does the gentleman from North Dakota realize that $60 hardly pays for three months' rent of apartments such as a letter carrier would occupy in any of the large cities of the Union?

Mr. GRONNA. The question I am asking the gentleman from New York is this, Is it not a fact that the rural carriers only receive $60 a month, or $720 a year, and furnish their own conveyance?

Mr. GOLDFOGLE. I am not here for the purpose of making comparisons between the pay of city letter carriers and rural letter carriers; I am not discussing the question of the pay of rural letter carriers. I am discussing the question of the letter carriers' pay in cities and that which justifies the amendment I have offered. Each case as it arises must be judged according to the justice of each case.

Mr. GRONNA. The gentleman claims that the pay of the city letter carriers is inadequate?

Mr. GOLDFOGLE. Does not the gentleman from Dakota think so, too?

Mr. GRONNA. I do not know.

Mr. GOLDFOGLE. Well, let me ask you the question directly.

Mr. GRONNA. I do not know. But will you vote to increase the salary of the rural free delivery letter carriers?

Mr. SULZER. We will agree to vote with you if you will agree to vote to increase the salaries of the letter carriers of the cities.

Mr. GOLDFOGLE. I believe in increasing the pay of all men who justly earn the increase. I stand here to contend for the principle that a fair day's work deserves a fair day's pay.

Mr. GRONNA. What is the amount of increase created by the amendment offered by the gentleman from New York?

Mr. GOLDFOGLE. Two million two hundred and seventy-eight thousand dollars.

Mr. GRONNA. I will vote for your amendment if you can convince me that the pay is inadequate.

Mr. GOLDFOGLE. Thank you. I should judge that you and every fair-minded man who is willing that the letter carrier be fairly paid have long since been convinced of the justice of the amendment. Public sentiment favors increasing these salaries. It is not right, it is not honest, for a great Government to ask men to work as hard as letter carriers do for salaries inadequate to meet the cost of living. It is not fair nor honest to ask these men, who ought to be encouraged to bring up their families properly and well, to work for salaries that do not meet the cost of decent living and the obligations that conditions in cities necessarily entail.

The work of the letter carrier has been excellently performed, and I am sure that the efficiency of the postal service will be promoted, and that the Government will be only doing the square and honest thing by Congress adopting the amendment which I now am pleased to urge and advocate. [Loud applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Eulogy on the Life and Character of the Late George R. Patterson.

REMARKS

OF

HON. GUSTAV A. SCHNEEBELI,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Sunday, April 22, 1906.

The House having under consideration the following resolution:

"*Resolved*, That the business of the House be now suspended that opportunity may be given for tributes to the memory of Hon. GEORGE R. PATTERSON, late a Member of this House from the State of Pennsylvania.

"*Resolved*, That as a particular mark of respect to the memory of the deceased and in recognition of his distinguished public career the House, at the conclusion of these exercises, shall stand adjourned.

"*Resolved*, That the Clerk communicate these resolutions to the Senate.

"*Resolved*, That the Clerk send a copy of these resolutions to the family of the deceased"—

Mr. SCHNEEBELI said:

Mr. SPEAKER: I want to say a few words of tribute to our departed friend. My acquaintance with him was necessarily short, as I am a new Member, but when I learned to know him better I learned to love him. He was one of nature's noblemen, true and loyal to his friends, generous to his political foes—others he had none.

We mourn in silent sorrow when we consider that he was taken from us in the prime of life and useful manhood. We shall miss his genial presence, his kindly greeting, his friendly advice; ever ready to lend a helping hand connected with mature judgment.

In this greatest of political bodies of this country, of which he was an honored member, the individual learns to realize the true worth of his associate and colleague, and to appreciate his help accordingly.

His dear family has reason to be proud of his achievements in Congress, and his name will be handed down to his posterity enshrined in honor. Yet, aside from all the glamour of temporary greatness, we revere the memory of GEORGE PATTERSON as a man whom we admired, respected, and loved.

I am glad to have known him, and thankful that I was permitted to pay him the last tribute of respect in conveying his remains to their final resting place.

May he rest in peace.

Fast Mail Appropriation.

SPEECH

OF

HON. EDWARD W. POU,

OF NORTH CAROLINA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, April 13, 1906,

On the bill (H. R. 16953) making appropriations for the service of the Post-Office Department for the fiscal year ending June 30, 1907, and for other purposes.

Mr. POU said:

Mr. CHAIRMAN: Since I have been a Member of this body I have always supported that item in the post-office supply bill known as the "appropriation for the maintenance of necessary and special mail facilities on trunk lines between Washington, Atlanta, and New Orleans," except when that item was considered two years ago in the Committee of the Whole. It was then repeatedly stated that the Government received little or no benefit from that item in the bill; that the delivery of mail to the southern people was not expedited; that the people of that section would receive their mail just as soon without the appropriation as they would with it, and that it was a gift pure and simple to the railroads between Washington and New Orleans. It was even stated by gentlemen who claimed to know that passengers could leave New York or Washington and reach points south of Washington practically as soon as mail carried by the fast trains paid for by this appropriation. I am not a member of the Committee on the Post-Office and Post-Roads, and of course did not investigate the matter as carefully as gentlemen who were members of that committee. Therefore, when this item was reached two years ago in the consideration of this bill, I for one honestly believed that the delivery of mail was not sufficiently expedited to justify the appropriation, and I voted to strike it out. It is true the item is but a trifle compared to the great amount carried by the bill, but it seems to have assumed an importance never attained before. So much has been said about it that I have undertaken to investigate it carefully for myself. We all know it is our custom to accept the views and conclusions of our colleagues on committees. It is almost impossible for Members of this body to investigate properly legislation proposed by committees of which they are not members, but, as I have said, there has been so much discussion about this item, especially in my State, that I have felt it my duty to go to the bottom of the question, if possible. I think I have acquainted myself with the facts, and I do not hesitate to say that I believe honestly I would be doing the people of the South a positive injustice if I voted to strike out this item of $142,728. It is therefore my intention to vote to retain the appropriation in the bill when that paragraph is reached.

The appropriation is and has been greatly misunderstood. It is believed by some even now that the money expended is of no value whatever, that the trains which it pays for would be run anyway, that these trains carry passengers as well as mail, that they are run on regular schedules prepared by the officers of the railroad companies, and that the appropriation is a gift pure and simple. I know this is true, for very recently I have talked with well-informed persons who believed exactly what I have stated. When gentlemen on this floor, in utter defiance of the facts, call the appropriation a subsidy or gift, and when these statements are repeated by reputable newspapers it is not very strange that some of those who send us here should also honestly believe that the expenditure is a subsidy or gift.

But, Mr. Chairman, the item is not a subsidy. It is not a gift. If I voted to give away a single dollar of the people's money to help a great corporation carry on its business I would not be fit to sit in this Chamber. Now, what are the facts?

In the first place, this is not an appropriation made by Congress to the Southern Railroad, but the money goes to that railroad which makes the quickest schedule between Washington, Atlanta, and New Orleans, subject to the approval of the Government. Formerly the Coast Line had the contract to carry the fast mail, but voluntarily abandoned the contract because of the difficulty in making the schedule required by the Government. Therefore the Southern Railroad is carrying the fast mails on trains which carry nothing else except express, under a schedule approved by the Postmaster-General, for the reason that it makes a quicker schedule than any other road. Let me read this item in the bill:

> For necessary and special facilities on trunk lines from Washington to Atlanta and New Orleans, $142,728.75: *Provided*, That no part of the appropriation made by this paragraph shall be expended unless the Postmaster-General shall deem such expenditure necessary in order to promote the interest of the postal service.

Now, Mr. Chairman, let us stick to the facts. I find that Mr. Shallenberger, the Second Assistant Postmaster-General, in the hearing recently had by the Post-Office Committee, after stating that the fast trains expedited the delivery of the mail about six hours, also used the following words, speaking of the service rendered:

> There are so many advantages that I would not be able to state just what they are. In a general way it tends to quicken all service and to expedite service on lateral lines that make connection with this particular train.

Now, is this true? So far as I know, the statement has not been challenged. Gentlemen from the State of Louisiana, Members of this House, tell me that this service puts mail in the city of New Orleans fully twelve hours sooner that it would reach that city, if the appropriation is cut off. Another Member of this body, a distinguished Representative from the State of Alabama, tells me that fully 2,000,000 people receive direct benefit from the appropriation, and probably as many more receive indirect benefit, while the entire mail service south of Washington is stimulated thereby. In other words, he calculates that 2,000,000 persons living immediately along the route get their mail very much sooner by having it delivered directly from these trains, and that probably as many more not living directly on the route get their mail sooner by reason of the fact that they live on routes which receive mail delivered from the fast trains paid for by this appropriation.

Mr. Chairman, I am perfectly satisfied, not only that the Government gets value for this expenditure, but that millions of people living in the South are benefited by having their mail delivered sooner than it otherwise would be. Knowing the facts as they are admitted now upon all sides, I feel that I would be

doing the people of my section an injustice if I were to vote to strike out this item, when every one of us knows that an item will be left in the bill appropriating more than a million dollars for the maintenance of the pneumatic-tube service in our great cities, which only expedites the delivery of the mail in those cities a few minutes. Why are Representatives on this floor from the States of Louisiana, Mississippi, Alabama, Florida, and Georgia, with few exceptions, asking for this appropriation? I think they are pretty good Democrats and patriotic men. Would they ask for a useless appropriation? Why are gentlemen from South Carolina, from my own State, from Virginia, supporting this appropriation? It seems to me if our colleagues on the committee are willing to give this fast service to the people of the South, if the service is putting the mail all through that section sooner than it otherwise would be delivered, as it undoubtedly does, we would be voting against the interest of our own people to deny it to them." Recently, Mr. Chairman, the Government has instituted a new system of mail delivery. About $28,000,000 will be appropriated this year to deliver mail to people living in the country. The installment of this system is delivering mail every morning, except Sunday, to millions of persons not living in the towns who, before the establishment of the service, only received their mail once or twice per week. Shall we stop the fast trains which put the mail quickly at distributing points?

Mr. Chairman, when we pass this bill we will vote away $191,000,000 of the people's money, and when the Assistant Postmaster-General tells us that all mail service in the South is expedited by this appropriation, when the amount is a mere pittance compared to the great sum carried by the bill, I repeat that I feel I would be doing the people of my section an injustice if, knowing the facts as I think I do, I voted to strike this item out.

I hope I may be permitted to say, Mr. Chairman, that I have no interest, directly or indirectly, in any railroad under the sun. For nearly twenty years I have appeared against them in the courts, the Southern Railroad in particular. I do not accept their favors. I am under no obligations of any kind to any of them. I know I am doing what I think is right. I believe I am voting in the interest of the people of the great progressive South. Possibly the district I represent will not receive as much benefit from this fast mail as will other districts in my State; but, Mr. Chairman, if I only voted for measures which directly benefited the people of my district, I would, I think, be unworthy of a seat in this body. I hope I am broad enough to look beyond the lines which mark out my own district on the map. I will not impugn the motive of any gentleman, and I hope it is not necessary here or elsewhere for me to say anything in vindication of my own. [Applause.]

Mr. MOON of Tennessee. Do I understand the gentleman from North Carolina to say that the mail is expedited on all the lateral lines by this special-facility train?

Mr. POU. I do not say it, but Assistant Postmaster-General Shallenberger does.

Mr. MOON of Tennessee. No; I do not think so.

Mr. POU. I beg your pardon. I have read his exact words. I have them before me.

The foregoing remarks were delivered on the 13th day of April. I desire to submit some further observations about this appropriation. If I believed that the fast service which this appropriation pays for would be maintained without it, of course I would not favor this item in the bill. I never have voted for a subsidy since I have been a Member of this body, and never will. We are not here to give away the people's money. We are the trustees of the people. It is our duty to protect the public fund, not waste it.

Now, this item gives the Postmaster-General power to use this money only if he finds it necessary to use it. If he gives any part of the fund to any railroad company when it is not necessary to use it in the interest of the people, then the Postmaster-General is not a fit person to hold that high position.

Let us see how the Postmaster-General regards this appropriation. In the hearing before the Senate committee recently had, Senator SIMMONS propounded this question to the Postmaster-General:

> Senator SIMMONS. I discover that you do not this year estimate for this service, and probably you have not estimated for it for many years past; why do you not estimate for it?
>
> Postmaster-General CORTELYOU. We have not estimated for it because of the principle involved. It appears to be a discrimination in favor of a road or a section of the country. Personally I am not in favor of anything in the nature of a special privilege to a road or a section.
>
> Senator SIMMONS. Do you mean by not estimating for it to recommend against the appropriation?
>
> Postmaster-General CORTELYOU. I do.

Certainly the appropriation can not be a discrimination in favor of any particular railroad, because in the same hearing the Postmaster-General declared that he would give the money to the system offering the best schedule, and I am told there are three roads participating in the appropriation. As has been stated, the Coast Line formerly had the appropriation, and voluntarily gave it up in 1893. Why? Because the officials of that railroad decided that the amount provided was not sufficient pay for the service required. Does anybody suppose that the officials of that great system would have *voluntarily* given up a subsidy? What is a subsidy, anyway? It is a grant or gift from the Government to aid a private person or corporation. If this appropriation is a gift, I say, would the Coast Line people have *voluntarily* given it up? Of course not. It would be nonsense to make such a suggestion.

Again, the Postmaster-General says he is opposed to it. I think I have shown it can not be a discrimination in favor of any particular railroad. It can not be said that the auctioneer discriminates in favor of the successful bidder at a public sale. But Mr. Cortelyou says he is opposed to it. Why? According to his own admission it must be because one particular section gets it and that section happens to be the South—the South, a section which has no representative in the Cabinet; the South, which has borne the burdens of this Government, paid taxes, and got little or nothing in return for forty years; the South, from Washington to New Orleans, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, and Louisiana. All those States are directly benefited by the expenditure of this pitiful sum. Millions of people get their mail from six hours to half a day sooner than they would get it if this appropriation is cut off, and the Postmaster-General is opposed to it because it discriminates in favor of the South. And being opposed to it, the opponents of this item in the bill suggest that he will give the money away anyhow, when nobody needs it, when the people will get as good service without it, when he is utterly opposed to the whole expenditure. Again I say, the suggestion is absurd on its face.

One argument offered against this appropriation I will notice just here. It is said that one railroad receiving part of this appropriation is making so much money it can afford to run these trains without the appropriation. That may be true, but the Coast Line gave up the appropriation when its fast train was carrying passengers as well as mail. Since that time the Government requires a train to be run which must not carry passengers, and which must make quicker time. But suppose the contention is true. Suppose the railroads can afford to run these fast trains without this appropriation. Is that the question? I think not. Who is there to force them to do so? The Government has not the power. From what I can learn the Standard Oil Company can afford to furnish the people of my State with all the oil they need for a whole year free of charge. Does the company give away oil? The Pennsylvania Railroad is perhaps rich enough to carry mail free of charge and still make money. Does it do it? Probably all the great railroads of this country could carry the mails free of charge and still declare a dividend. Do they do it? Can the Government force them to do it?

Now, let us see what is appropriated and what the people get in return. The bill provides that $142,728.75 shall be appropriated for necessary and special mail facilities on trunk lines from Washington to Atlanta and New Orleans, but that no part of this sum shall be expended unless the Postmaster-General shall deem such expenditure *necessary in order to promote the interest of the postal service.*

For the last two years the Post-Office Department has had an agreement with the three railroads connecting Washington with New Orleans that a fast train should be run, leaving Washington at 8 o'clock in the morning, which should arrive in New Orleans within twenty-seven hours and ten minutes. Three railroads entered into the agreement, the Southern, the Western Railway of Alabama, and the Louisville and Nashville, and the distance covered by this train is 1,137 miles. The train is required to make a speed of 41 miles per hour regardless of stops, and its entire schedule must be approved by the Postmaster-General. It was also agreed that the schedule of another train—No. 37—considered advantageous to the Government should not be changed. The Government pays the roads between Washington and New Orleans for running these two trains in accordance with certain requirements. There are five points along the route known as "terminal points," and it is required by the Government and agreed to by the railroads mentioned that every day these two fast trains arrive at any one of these five terminal points as much as five minutes behind the schedule time prescribed by the Postmaster-General they should lose the entire part of this appropriation for that day. To illustrate, the appropriation is $142,728. The pay for each day is therefore $391.03. Every day these two trains ar-

rive at any one of these five terminal points as much as five minutes late the railroads lose $391.03. If one of the trains should fail, the roads lose one-half that amount. During the year 1905 the Government deducted $33,776.41 because these trains failed to arrive at some one of those points on time. Therefore, during last year, instead of receiving $142,728 for running these trains in accordance with the requirements of the Postmaster-General, the railroads only received $108,952. The deduction was made in 1905, but the forfeitures were caused by trains run in 1904.

I called at the Post-Office Department to obtain this information, and it is correct. I will append to these remarks a letter just received from the Second Assistant Postmaster-General. It appears that there has been to this date a forfeiture of $18,636.03 of the appropriation for 1906. It seems that deductions are made the year after the service is rendered.

This fast service distributes mail through a belt of territory more than a thousand miles long, connects at New Orleans with trains carrying mail through Texas and to the Pacific coast; and I am told on reliable authority that it expedites the delivery of the mail of the southern people to San Francisco and the Pacific coast fully twenty-four hours.

Take Birmingham, the home town of my distinguished friend Mr. UNDERWOOD. The mail on train No. 97, leaving Washington at 8 o'clock, reaches that city at twenty minutes past 5 o'clock the next morning. There are 120,000 people living in that city, and many thousands more living in Jefferson County. In the county there are thirty-five rural free-delivery routes. The carriers on the routes from Birmingham leave that city at 7 o'clock in the morning, and by noon have distributed mail in the entire surrounding country and have connected with other routes, distributing mail over the entire county. Therefore the farmers living in the country around Birmingham can read by 12 o'clock letters and newspapers sent the day before from as far north as New York City. If this train were not run, Mr. UNDERWOOD tells me that the people of Birmingham would not receive their northern mail until about seven hours later, and the people living in the country would not get their northern mail until *twenty-four hours later;* and yet they tell us this appropriation is a subsidy and that the people get no benefit from it. What is true of Birmingham is true to a greater or less extent of every city and town along the entire 1,137 miles, and also true to a greater or less extent of every town on railroad lines and rural free-delivery routes connecting with these fast trains. Oh, no; we must vote against this appropriation, its opponents tell us; but we may vote for the eight-minute pneumatic-tube service and all will be well.

The exact service which the Government receives for this expenditure may be summed up in very few words.

The fastest train carrying passengers running from Washington to New Orleans makes, I am informed, a speed of 34 miles per hour, but persons using this train are required to pay extra fare—that is, they are required to pay more than the regular passenger rate.

The next fastest train makes about 31 miles per hour.

Now, as I have stated, train No. 97 makes a speed of 41 miles per hour. This is 7 miles per hour faster than the fastest train run between the points named, and on which extra fare is charged. For running this train at this great speed the Government pays 17 cents per mile. If the train is five minutes late at any one of five points along the line, it loses the pay of that day. Seventeen cents per mile for increasing the speed of one of its mail trains from 31 miles per hour to 41 miles per hour, and for continuing the schedule agreed upon for another train is what the Government pays. The increase in speed puts mail in sooner, of course, along the entire line, but that is not all; the *Government says when these trains must leave Washington* and their leaving time is so arranged that they connect with trains bringing the first and earliest mails from the North, thereby putting mail at the earliest possible moment all through one great section of our country, putting it sooner in villages, as well as great cities, and delivering it to thousands of people not living in any town by hundreds of rural carriers, and yet we are told it is a gift or subsidy! And the trains must run on time or get nothing of this appropriation. The Coast Line decided years ago that a larger sum did not justify it in increasing the speed of its trains, and voluntarily declined to enter into a contract with the Government.

But there is another item in the bill to which I have alluded. On page 15 I find the following:

For the transmission of mail by pneumatic tubes or other similar devices, $900,000, and the Postmaster-General is hereby authorized to enter into contracts not exceeding, in the aggregate, $1,161,265.84, under the provisions of the law, for a period not exceeding ten years, and with the right of termination at the discretion of the Postmaster-General of any such contract at the end of any year of the contract term after four years, on one year's notice: *Provided*, That said service shall not be extended in any cities other than those in which the service is now under contract under authority of Congress, except the Borough of Brooklyn, of the city of New York, and the cities of Cincinnati, Kansas City, and Pittsburg.

In the year 1900 only $225,000 were expended for this service. This bill authorizes the Postmaster-General to make contracts amounting to $1,161,265, and after he closes his contracts they can not be canceled in less than five years, for he must give one year's notice, and the contracts must stand for four years. The contracts really authorized therefore amount to $5,800,000.

Let us look into this item a little. The Postmaster-General, in the hearing before the Senate committee, replying to a question propounded by a Senator, stated that the pneumatic-tube appropriation was on the *same principle as the fast-mail appropriation.* He said he was opposed to the fast-mail appropriation because it discriminated in favor of a particular road or section, and that section happened to be the South, but not a word did he utter against this item of more than a million dollars. Why? Can it be because so much of the benefit of the million dollars goes to his own section—to his own city—while the benefit of the fast mail goes to another section? I will not charge it. Let the facts speak for themselves. What is this tube service, anyhow? It is an arrangement by which mail is sent by compressed air through iron tubes buried in the ground. At the present time the service has been installed in the cities of New York, Boston, Chicago, Philadelphia, and St. Louis.

I have talked recently with a gentleman—a Member of this House—who has studied the benefits supposed to be derived from this service, and he tells me that the delivery of mail sent through these tubes is only expedited about eight minutes, and that the amount of money paid for wagon delivery service has not been diminished at all. Therefore the amount paid is just that much extra. Now, in all these cities there are from five to eight mail deliveries every day, anyway; only a small part of the mail matter distributed in these cities is sent through these tubes, and the Government is to pay more than a million dollars extra every year to have this small part of the mail of these cities delivered to a small per cent of the people upon an average eight minutes sooner than it would otherwise reach its destination.

How can gentlemen favor this appropriation and yet oppose the appropriation which expedites the delivery of the mail to 4,000,000 southern people, living in towns and in the country as well, from six to twelve hours? Yet not a voice was raised against the pneumatic-tube appropriation when this bill was considered in the House, so far as I heard. Everybody knew that item would stay in the bill. Certainly—the great cities were demanding it. Why should gentlemen grow eloquent in opposing the fast mail and yet remain silent when this item is reached? Both items are special facilities. If one is a subsidy, so is the other. One is more than a million; the other is less than a fifth of a million. One item causes a small part of the mail of these cities to be distributed to a small part of the people a few minutes sooner than it would otherwise reach them; the other causes mail to be delivered to 4,000,000 people from four to twelve hours sooner than it would otherwise reach them, and in a general way benefits all mail service in the South, so General Shallenberger declared.

The position of the Second Assistant Postmaster-General has been incorrectly stated. It has been stated that he admitted that the appropriation was not necessary and that the people of the South would enjoy just as good service if the appropriation should be discontinued. Wishing to ascertain his position, I wrote a letter of inquiry, in which I asked him, first, whether the Department had found it necessary to use the money provided by this item, and, second, whether the interests of the mail service through the Southern States was thereby promoted.

While his answer might have been more explicit, he replied that the Department had found it necessary to use the appropriation and that it does promote the interest of the mail service through such of the Southern States as are tributary, and this, of course, must include nearly every Southern State.

I will print his letter in full, which contains my inquiry as well as his answer. No official of the Post-Office Department has ever stated that the appropriation was useless, or that it did not promote the interest of the mail service, or that the southern people would enjoy as good mail facilities without the appropriation as they do with it.

Postmaster-General Cortelyou himself admits that it does give to the southern people a better service, but he says he is opposed to it because it discriminates in favor of a particular road or section. In other words, he is opposed to it because the southern people enjoy a special benefit. He admits it is useful. He admits it is necessary. He admits the delivery of the mail is quickened. He does not deny that the people are benefited,

but those people happen in this instance to be the people of the South.

Whenever all special facilities are stricken from this bill, then the southern people might be content with a slower service. This very bill will increase these special facilities by installing the tube service in the cities of Baltimore, Cincinnati, Kansas City, Pittsburg, and San Francisco. While we are voting millions to expedite the delivery of mail in these cities a few minutes to a few people, is it not fair and just to continue an appropriation of $142,000 to expedite the delivery of mail from several hours to a whole day to millions of the southern people? Would it be a square deal if this little appropriation were cut out? Should not the people of all sections be treated fairly and as nearly upon an equality as possible? If it is right to support an appropriation which gives a small per cent of people living in large cities their mail a few minutes sooner, is it not right to render a still better service at less cost per capita to millions of people who do not live in these large cities? Is not the man who lives on the rural free-delivery route entitled to the same treatment as the man who lives in the great city? The former receives his mail several times a day, the latter only once.

But I am to be criticised because I support the item which helps my own section. If the fast-mail appropriation had helped some great city, I suppose I would have been applauded had I voted for it.

I find that in the Fifty-sixth Congress Hon. JOHN A. MOON, at this time ranking minority member of the Committee on Post-Offices and Post-Roads, submitted a minority report on this tube service, from which I take the following extracts:

> The pneumatic tube is a common iron pipe 6 to 8 inches in diameter and buried in a shallow ditch underground, through which tube mail is propelled from one station in a city to another. It is patented, of course; otherwise we doubt if anyone would have undertaken to impose it on the Government. The use of the tube seems to expedite the delivery of mails from stations to depots (except where it destroys it entirely in transit) only a few minutes.

Referring to the cities using the tube service, the report says further:

> The people of these cities get their mail on an average of eight times a day. This is fast enough, fair enough, and often enough, it seems to us, when seven-tenths of the people of the United States do not get more than one mail a day, and many of them once or twice a week.

When I read that report I wondered why no minority report was filed during this session. I suppose the minority thought it useless to protest. Indeed, it may be that they thought the appropriation justified by the service rendered. This is a day of progress, of development surpassing the dream of man. I say it may be the expenditure of more than a million every year for this tube service is justified by the needs and requirements of the great cities using it. I confess I have my doubts. But I do say it does not lie in the mouth of any gentleman who sat silent in his seat when more than $5,000,000 were voted away to install the tube service to criticise the action of gentlemen who voted to expend less than a fifth of a million to give a fast mail service to the South.

I wish to say that I have not in these remarks mentioned the pneumatic-tube appropriation to justify the fast mail. If the Government does not get value, then the fast-mail appropriation should not be continued. Whenever it appears to me that there is no further necessity for it, I stand ready to vote to strike it out. If the Government does not get value for the tube appropriation it should not be continued. If both are not needed, both should be cut off. But if both are, as the Postmaster-General stated, special facilities, there is far more to be said in justification of the fast-mail than the pneumatic-tube appropriation. Both are intended to give to the people a better mail service. The fast mail certainly expedites the delivery of mail from a few hours to a whole day.

The tube appropriation probably expedites the delivery of mail to a small per cent of the people living in certain cities a few minutes. One bad appropriation can not justify another bad appropriation, but I again repeat it is inconsistent for gentlemen who supported the tube appropriation when it was unanimously agreed upon in this Chamber to criticise the votes of other gentlemen equally as honest and patriotic who refused to strike out the fast-mail item which for a quarter of a century has expedited the delivery of mail to millions of the people of the South.

It is a little strange that criticism from certain sources should be confined to three Members from the State which I have the honor in part to represent.

As has been stated, the appropriation has been in the post-office supply bill for a quarter of a century, or even longer. It was in the bill when the service rendered was not nearly as quick and efficient as it is now and when the amount paid for the service rendered was even larger than it is now. It was in the bill in the days when the great Vance represented my State. If it is a gift, a subsidy, a steal now, it was a greater steal then, and the voices of the great men who stood here as the representatives of the people of our State would have been raised against it. But almost every Senator and Representative from the South favored it then, and it is opposed to-day by very few southern Representatives, and, so far as the record shows, not a single southern Senator voted against the appropriation. It was even supported by the man who had in charge the railroad rate bill about to become a law—Senator B. R. TILLMAN, of South Carolina. When the bill was considered in the Senate, not a vote, either Democratic or Republican, was recorded against it.

If this appropriation is a gift or subsidy, would not some Senator at least have demanded a roll call? Is it possible that an appropriation is made without dissent by that great body which is nothing but a gift, a subsidy, a steal? It can not be said that the item was passed over without debate in the Senate. It can not be said that the fast-mail appropriation was not called to the attention of Senators. On the 29th of May just past the CONGRESSIONAL RECORD shows that there was considerable debate respecting this appropriation. Several southern Senators made speeches in favor of the appropriation. It was opposed by no one, either Democrat or Republican. Surely if the appropriation is without merit some one would have raised a voice against it; but, on the contrary, the record shows that both the bill itself and this item in the bill were passed without division.

So far as I am concerned, I do not refer to the action of the United States Senate to justify the vote of myself and my colleagues in supporting this appropriation. There are in that body great men, faithful, honest, and true to the interests of the people, in whose footsteps anyone might feel proud to follow, but the vote in the House was taken, of course, before the vote in the Senate, and the appropriation received my support not because it was supported or opposed by anyone else, but because a study of the question convinced me that the interests of the people demanded that the appropriation should be continued.

In conclusion, I wish to say that I am not willing that these remarks shall be construed as criticising the action of any one of my colleagues. I do not question the sincerity of anyone, nor do I yield to any Member of this House in sincerity of purpose in every vote I have ever cast in a desire to do what seems to be right, in carefully guarding the public funds, in loyalty to the interests of those whom we represent. I had not intended to say anything further about the appropriation, but when one is charged with supporting a subsidy or gift to a railroad company, he can hardly afford to assume the rôle of silence, especially when the charge is utterly without foundation. It is quite easy to call anything a subsidy or gift. If this appropriation is a subsidy or gift, so is the entire amount carried by this bill.

It is of no concern to me whether any particular railroad gets this money or not. I believe I am as free from railroad or corporation influence as anyone who has criticized my action or who voted against this item. It is not a question of helping or hurting any railroad. The question is this: Is the appropriation necessary; does the Government get value for the money expended; do the people get value in the quicker mail service rendered? Neither is it a question whether some other section gets a special facility. The test is whether there is merit in *this particular item*. One steal does not justify another steal. There must be no stealing at all.

I have tried to present the facts fairly. I am always ready to bow to the will of my constituents. Every man is liable to err. I think I have made no mistake in this instance. If I have, there are millions of people who are in some degree indebted to that mistake for a continuance of the best mail service they have ever had.

APPENDIX A.

POST-OFFICE DEPARTMENT,
SECOND ASSISTANT POSTMASTER-GENERAL,
Washington, June 8, 1906.

Hon. EDWARD W. POU,
United States House of Representatives.

DEAR SIR: I am in receipt of your letter of the 6th instant, asking whether I "have found it necessary to use the appropriation for special mail facilities between Washington and New Orleans, and whether or not, in your (my) judgment, this appropriation promotes the interests of the mail service through the Southern States?"

In reply I have to say that as Congress deemed it best to appropriate for special facilities between Washington and New Orleans the Department found it necessary to use such appropriation for the purpose named in the desire to comply with the wish of Congress. This, for reasons more fully stated in the hearings before the Senate committee, to which I invited your attention in my letter of June 6. You will notice on page 7827, CONGRESSIONAL RECORD, May 31, my replies to Senator SIMMONS touching this phase of the question.

In reply to your further question as to whether, in my judgment, this appropriation promotes the interests of the mail service through the Southern States, I will say that it does promote the interests of the mail service through such of the Southern States as are tributary to it.

Very respectfully,

W. S. SHALLENBERGER,
Second Assistant Postmaster-General.

APPENDIX B.

POST-OFFICE DEPARTMENT,
OFFICE OF SECOND ASSISTANT POSTMASTER-GENERAL,
DIVISION OF INSPECTION,
Washington, May 2½, 1906.

SIR: Referring to your request of even date for certain information relative to pay of special-facility mail trains, I have the honor to advise you that trains 37 and 97 are due to leave Washington at 10.45 p. m. and 8 a. m., respectively, and each is due to earn one-half the appropriation.

Deductions for failures of these trains to reach their termini within five minutes of the schedule time were made as follows for the year 1905 and to date in 1906.

Washington, D. C., to New Orleans, La.

	1905.	1906.	1905.	1906.	Total.
11402	$6,159.45	$3,427.20	$2,325.08	$1,346.40	$13,258.13
11403	1,361.63	1,458.90	559.25	534.92	3,914.70
12049	8,011.66	4,074.50	3,793.82	2,563.74	18,449.72
12003	857.17	146.52	622.08	234.42	1,860.19
12012	8,118.70	3,814.16	1,961.57	1,035.27	14,929.70
Total	24,508.61	12,921.28	9,267.80	5,714.75	52,412.44

The deductions shown were actually made in the years named, but are for late arrivals in the September and December quarters, 1904, March, June, September, and December quarters, 1905.

Very respectfully,

W. S. SHALLENBERGER,
Second Assistant Postmaster-General.

Hon. E. W. POU,
House of Representatives.

Eulogy on the Late Hon. George R. Patterson.

REMARKS
OF
HON. DANIEL F. LAFEAN,
OF PENNSYLVANIA,
IN THE HOUSE OF REPRESENTATIVES,
Sunday, April 22, 1906.

The House having under consideration the following resolutions:

"*Resolved*, That the business of the House be now suspended that opportunity may be given for tributes to the memory of Hon. GEORGE R. PATTERSON, late a Member of this House from the State of Pennsylvania.'

"*Resolved*, That as a particular mark of respect to the memory of the deceased and in recognition of his distinguished public career the House, at the conclusion of these exercises, shall stand adjourned.

"*Resolved*, That the Clerk communicate these resolutions to the Senate.

"*Resolved*, That the Clerk send a copy of these resolutions to the family of the deceased"—

Mr. LAFEAN said:

Mr. SPEAKER: The decease of GEORGE R. PATTERSON has occasioned a loss keenly felt by his constituents and by his colleagues on both sides of the House. That he was popular and beloved by the former is evident from the loyal support which he received at their hands. He was elected three times as a Member of Congress from the Twelfth Pennsylvania district, each succeeding time receiving a larger majority. This increased popularity can be easily understood when we take into consideration the character of our deceased colleague.

He carried sunshine with him wherever he went and always had a good word for everybody. His genial disposition made him popular at home and in Washington, particularly among the Members of the House. At the time of his death he was one of the dominant forces of the Pennsylvania delegation.

To know him intimately as I knew him was a privilege which I shall always treasure. I had the pleasure of personal acquaintance with Mr. PATTERSON, and only those who had this privilege could know the strength and depth of his character. Association with him was a pleasure, not only because of the brilliancy of his wit and statesmanship, but for the mellowing and gladdening influence of his kindly geniality.

One of the first to greet me and make me feel at home when I became a member of this body was Mr. PATTERSON. From our first meeting until our last, which was but a few hours before his sad death, I came in close and frequent contact with him. I found him always ready to kindly direct a new Member and render old ones support. Nothing was too much trouble for him. He would even sacrifice his own time or deprive himself of pleasure in order that he might serve another Member of the House.

During the latter part of last fall I invited Mr. PATTERSON to meet me at Gettysburg for the purpose of going over several tracts of land owned by the Gettysburg Springs and Hotel Company, which the Gettysburg Battlefield Commission was desirous of purchasing. Notwithstanding the fact that he was exceedingly busy shaping up his private business affairs in order that he might assume the more active of his Congressional duties, and that his time was more than occupied in his endeavor to retain a friend in office whose removal was urged by others, he kindly came and spent two days in going over that famous field, in order that he might assist in bringing the matter of the purchase of this property intelligently before the House Committee on Military Affairs, of which he was a member. Self-sacrifice such as this is what has endeared Mr. PATTERSON not only to his constituents but to his many friends and colleagues.

At 5 o'clock of the evening preceding the morning of his death, I met Mr. PATTERSON in Broad Street station, Philadelphia. At the time he informed me that he had just returned from his home and was on his way to Washington in response to a call from the Speaker (whip) to be present at the next day's session. He seemed to be in the best of spirits and health—joking as we walked down the platform together, he to take the train to Washington and I the train for my home. As we parted he said, "Will see you in the morning." When I reached Washington the following morning, I was shocked when informed of his sad death.

While a Republican, and a stanch one, Mr. PATTERSON was by no means a bitter partisan. His first thought was for his constituency and the welfare of the country. On all public questions he took lofty grounds and was liberal in his views.

I could go on extolling his good qualities, but in my opinion they can be summed up in a few words: He was a man and a friend.

Protest Against the Adoption of a Policy that Will Result in the Closing of the Government Shops at Charlestown Navy-Yard.

SPEECH
OF
HON. JOHN A. KELIHER,
OF MASSACHUSETTS,
IN THE HOUSE OF REPRESENTATIVES,
Wednesday, May 9, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration the bill H. R. 17850—the naval appropriation bill—

Mr. KELIHER said:

Mr. CHAIRMAN: The proposition involved in this amendment is one which will work such a radical change of policy in the Navy Department that it deserves far more careful and deliberate consideration than it can possibly receive in the brief time that will be devoted to it to-day. Justice can not be done the subject in the time at hand, and it is the veriest folly to take so important a step without considering every inch of the ground we are to travel. This amendment, sprung without the formality of prior notice, proposes to remove the Government from the business of manufacturing all or a part of certain articles of equipment that are absolutely essential to the Navy.

Without previous hearings, with no warning or hint of his intention, the gentleman from Michigan [Mr. LOUD] on yesterday, during a perfunctory reading of an uninteresting part of the pending bill, took the floor and in tones that would indicate a desire to be confidential with those Members who sit in his immediate vicinity, began an attack upon the methods of administration of the navy-yard at Charlestown. Those who were fortunate enough to follow his remarks were prepared to hear a declaration that a resolution of investigation of the administration of the Charlestown yard would follow.

Mr. Chairman, no such action resulted, but rather a carefully prepared argument in favor of the Government abandoning the work it has been doing for years and seeking its supplies in the open markets of the land. In view of the interesting facts adduced recently, I think this House will pause and ponder long before it votes to put the Government in the hands of private concerns to be exploited as it now is by the armor

plate and powder trusts. The adoption of this amendment means this and nothing else; and if we vote in favor of it, we do so with our eyes open and in full knowledge of the fact that where the Government is at the mercy of private manufacturers it is invariably compelled to pay unreasonable and often exorbitant prices. As I have stated, Mr. Chairman, we have before us a valuable lesson, one which we are paying dearly for, and I can not conceive how this body can ignore it and deliberately walk into like unhealthy business conditions. The attention of the House has frequently and forcibly been called to the regrettable fact that the Government, helpless in the hands of the powder trust, is paying fully 20 per cent more for the powder it purchases than it costs to manufacture it at its own factory at Indian Head.

The Government's capacity for the manufacture of powder is limited. It can not supply but an amount approximating 20 per cent of that which is needed by the Army and Navy. The 80 per cent needed has to be purchased from private manufacturers, and the prices demanded and received exceed the price of manufacture by the Government from 12 to 15 cents per pound. The Government price averages 60 cents per pound, and the Du Pont powder trust has fixed the price to the Army and Navy Departments at 74 and 75 cents. Why? Simply and solely because it has the Government in its clutches, to do with it what it sees fit in the way of making prices. Will it be argued that if the Government gradually increased its capacity for manufacturing powder the powder trust would increase its price? Hardly. As the Government's ability to supply its wants in this respect increases, correspondingly would the price fixed by the Du Pont trust lower, till it finally reached a point that rendered a normal and reasonable profit. What is true of powder, Mr. Chairman, is true of anchors, chains, and cordage. So far as these articles are concerned, the Government is now independent. It has a plant for the manufacture of this character of indispensable equipment that is not equaled in the country, and as a result we find no anchor nor chain trust.

Take the Government out of this business, as is proposed by this vicious amendment, and as sure as the sun rises in the east there will spring into existence a combination of interests in this line that will sooner or later be absolute master of the production and prices of these articles. This amendment is so skillfully drawn that it is more than likely to deceive the unwary. The first impression it conveys is that the Government retains the whip hand; that if the prices submitted in the bids of the outside concerns are not lower than the cost of manufacture by the Government the latter will continue to engage in the work. In theory this is correct, but let us consider what will happen in practice. For the first few years these manufacturers will bid low, purposely so, and they will get the contracts. This being the case, the Government works will become slack, men will be discharged, and gradually the shops will close permanently. When the Government has ceased to be in a position to protect itself from exorbitant demands of these manufacturers and is entirely dependent upon them for supplies, there will be a merger of the few concerns capable of filling the big contracts. Then will prices soar upward, and, notwithstanding protests, the Government will have to accede.

This is not a new story; its like has been before and ignored so often as to cause wonderment, chagrin, and indignation on the part of those interested in economical administration of our governmental affairs. Aside from this phase of the subject, Mr. Chairman, I would invite a consideration of another just as important. I contend that a government as powerful as this one ought to direct its efforts toward establishing itself upon a solid footing of self-reliance. Come what may in the form of internal disorder or foreign invasion, the Government's state of preparedness and capacity ought to be such that it could depend upon its own resources for the essentials of war. With strikes rampant in the country, involving the factories in which powder is made, the foundries where cannon are cast and other necessary equipment manufactured, an uprising would cripple and place the Government in a precarious position. Mr. Chairman, with the adoption of this amendment also goes a notice to the excellent workmen whom the Government has assembled at the Charlestown Navy-Yard to look elsewhere for employment. I trust that I may be able to impress upon the House what a great hardship this will work. For years and years it has been the established policy of the Government to maintain facilities for the manufacture of the anchors, chains, and cordage that are used in the Navy at its yard in Charlestown, Mass. It has perfected an organization unequaled in the country.

The most skillful mechanics obtainable are employed, and the work is steady and perhaps more remunerative than in private manufacturing plants. Not so very long since Massachusetts boasted supremacy in the iron industry, but a change in our fiscal policy forced her to capitulate in this and other branches of manufacture, and her great iron industries were led captives to Pennsylvania. Enough of her trained mechanics remained on the soil of their birth, preferring to cast their lot among the surroundings so dear to them. When the great iron foundries and chain works that were the pride of Massachusetts vanished from existence under the blighting influence of the protective tariff, many of these skilled workmen were welcomed to the service of Uncle Sam. Their sons, following in their wake, embraced the trade and filled the places made vacant by the retirement of their skilled sires. Mr. Chairman, the like of these workmen would be hard to find. By inheritance, as well as training and experience, they excel in this line of work. It has become impressed upon them; in fact it is a tradition that so long as they retain their ability to render the high-class service demanded by the Government their tenure of employment is fixed.

Now comes Pennsylvania with her old cry, "We have the ore and coal and we can outbid Massachusetts; for the long railroad haul of the raw materials puts her to such a disadvantage that she can no longer compete." Mr. Chairman, we in Massachusetts are handicapped so far as the iron ore and coal are concerned, but we have what can not be dug out of the ground—intelligent and skilled mechanics. It is because of this fact that the Government looks to Boston for the highest standard of workmanship in this line known in Amercia. It is because of this fact that every authority on naval construction declares that the equal of the work turned out at the Boston yard has yet to be discovered in the factories of the land. The evidence of these officials either amounts to something or nothing. If they are as incompetent as we are told by the Member from Michigan, a quick and radical change ought to be made in the naval construction service. But this is not so; these officials rank exceptionally high in their profession, and no word of scandal has ever been uttered in reference to the administration of the Charlestown yard.

As I have before said, it is rated as one of the finest plants in the country. Assembled there are the most skillful mechanics to be found, and it is against disbanding this magnificent organization that means so much to the Government that I, in common with all who have given unselfish and patriotic thought to the subject, protest. In that yard there are employed approximately 1,700 men, distributed as follows:

Department.	Mechanics.	Helpers and laborers.
Construction and repair	417	291
Steam engineering	248	150
Equipment	225	216
Ordnance	45	7
Supplies and accounts	13	48
Total	948	712
Grand total	1,660	

This does not include clerks, draftsmen, etc., who number about 150. If this amendment obtains and the work leaves the yard, as there is no doubt it will, the men affected will be—

Chain makers	148
Rope makers	35
Laborers	188
Total	371

This force is the minimum that could properly operate the works.

Mr. Chairman, so much has been said about the ability and readiness of private concerns to do this work at less than the Government cost that I think it but fair to state that, as an evidence of the unsatisfaction of private work, recently twelve anchors weighing 3,000 pounds each were forged by outside firms and submitted to the Government at the Boston yard. These were all condemned by the naval inspectors. They were forged from inferior material, were "poxed," in the technique of the trade, did not balance, and were otherwise of such inferior character as to be at once rejected. This is but one of many cases. Admiral Manney, on the eve of his retirement from the Navy, with no interest other than an honorable one, gave it as his opinion that it would be a grave mistake to trust this character of work to outside manufacturers.

Mr. Chairman, he is indeed a tyro who does not know that influence—political influence—is often enlisted, and with effect, in cases where the Government insists upon the strict terms of its contracts being lived up to. A private concern that has a contract endeavors to have accepted inferior quality of goods or work. The Government officials refuse to accept or O. K. the

transaction. It happens that this particular concern has been a heavy contributor to the campaign fund of the party in power. Immediately comes along some one high in political power, and the strict official is told that it might be well to accept the disputed goods or work. We ought to take no such chances in materials such as are involved in this amendment, but let well enough alone. Let us keep the Government works intact, and not send nearly 400 honest workmen, with scarcely a word of notice, out into the world to search for employment they can not find in their native State.

These men will undoubtedly be thrown into competition in an already overcrowded labor market, or must follow fortune in a strange State where skilled labor such as theirs might find opportunity. If the Government later regrets this move, it will be next to impossible to reassemble this corps of skilled men, for they will not wait around till the Government decides what its policy shall be.

In conclusion, Mr. Chairman, let me warn the House against the voice that is heard in favor of this vicious scheme. It is not the voice of economy nor progress, but rather that of the selfish private manufacturer, and is raised in hope of opportunity to further exploit the Government. Rather let us heed the advice of those competent to advise—the officials of the Naval Department—and stick to a policy that has endured with satisfaction, not forgetting that the future welfare of the industrious mechanics now employed in the Charlestown Navy-Yard deserves a passing thought.

Lincoln's Influence on American Life.

SPEECH

OF

HON. WM. ALDEN SMITH,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, April 18, 1906.

The House being in Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 16953) making appropriations for the service of the Post-Office Department for the fiscal year ending June 30, 1907, and for other purposes—

Mr. WM. ALDEN SMITH said:

Mr. CHAIRMAN: At a time like the present, when so much misinformation regarding the conduct of public officials is being recklessly circulated, it is indeed refreshing to listen to the clarion call of one of America's most interesting men, whose private life is without reproach, and whose public service is one of the most striking illustrations of the possibilities of American institutions.

Hon. George B. Cortelyou has risen by his own efforts from humble place to exalted station. The confidential adviser of three Presidents, the modest and unassuming amanuensis of the stalwart Cleveland; the affectionate companion of the great McKinley; the chosen counselor of the masterful Roosevelt, it is indeed eminently fitting that his cheering and encouraging words should find permanent lodgment in the official records of Congress.

Addressing thousands of his countrymen upon the occasion of the last annual celebration of Lincoln's birth, held at Grand Rapids, Mich., Postmaster-General Cortelyou spoke as follows:

LINCOLN'S INFLUENCE ON AMERICAN LIFE.

Mr. TOASTMASTER, LADIES, AND GENTLEMEN: You could do me no greater honor than to refer to my association with one the beauty and dignity and simplicity of whose life were as a benediction to our people. It is appropriate that we should pay tribute to his memory upon this anniversary of the birth of his great predecessor. They had much in common. Each sprang from the people, and each gave to the people the last "full measure of devotion." Beloved by his countrymen everywhere, no Commonwealth in the Union gave larger evidence of faith in him than the State of Michigan, and your faith was never misplaced. You and those who come after you will find in our annals no purer patriot, no finer gentleman than William McKinley.

I have pleasure in expressing the deep interest in this celebration and in conveying to you the best wishes of the President of the United States. And I say to you in his direct and hearty words, "Good luck to the people of Grand Rapids."

We have with us to-night the representatives of sister republics to the south of us, the distinguished ambassador of Brazil and his colleagues in the diplomatic corps, the minister of Nicaragua, the minister of Chile, and my old schoolmate and friend, the minister of Cuba. They reciprocate our kindly interest in the welfare of their countries and their good will for us is equaled by our good will for them. In friendly rivalry, but as the years go by drawn closer and closer in the bonds of mutual confidence and good fellowship, we march shoulder to shoulder with them as the people of the two Americas move on to the heights of their manifest destinies.

It has been a privilege to come here in the good care of my friend of many years, your honored Representative in Congress, We know now what you knew when you sent him to Washington, and we congratulate you on your good judgment. In the National House of Representatives he has at heart not only the interests of his district, but of the country at large, and he is therefore influential, and deservedly so, in its affairs.

I am glad to be in the State of Michigan, and it is a special pleasure to have the opportunity of speaking in this busy and thriving city.

The presence of the Fremont voters whom I see here this evening is an inspiring feature of this great meeting. You will, I am sure, indulge me, also, when I say that I have been greatly interested in learning that nearly a third of the population of this city are of good old Dutch stock.

Michigan is the birthplace of the Republican party. On the 6th of July, 1904, under the oaks at Jackson, the fiftieth anniversary of its birth was celebrated. The Vice-President of the United States (then a Senator from Indiana) was present, and John Hay, diplomat, scholar, and statesman, delivered the oration, one of his last notable public addresses.

The Republican party was born of the quickened conscience of the American people, and among its most forceful, influential, and inspired leaders was Zachariah Chandler, of whom Senator Hoar, in his political history, says there was never a Cabinet minister who approached him in the administraton of the Interor Department. For nearly a generation he was an overshadowing personality in the United States Senate and a dominant factor in the affairs of your Commonwealth.

Michigan has always been true to the principles advocated by Lincoln and his successors, while this auditorium has resounded with the eloquence of Fremont and Blaine and Garfield and McKinley and Roosevelt. I am told that McKinley in the midst of the most bitterly contested political campaign, in which he was the central figure, left his old Congressional district and came here to render loyal and unselfish service to his friends.

He was especially interested in this city. Its push and its enterprise appealed to him, and the welfare of its workers was always a matter of his deep concern. The employees of your great manufacturing establishments bring intelligence and ambition to their tasks, and the results contribute much to make comfortable and attractive the homes of the world. You fix the standard in certain lines of trade, upon the products of which you can, with no impropriety, place as the inscription of sterling worth "Made in Grand Rapids."

Every day in the life of an American should be a day dedicated to patriotism, but we have properly set apart by legislative enactment, and in accordance with the dictates of our hearts, special anniversaries on which we recall the deeds of the mighty dead whose names stand out in letters of living light upon the pages of our country's history. Such an anniversary is this of the 12th of February.

The life we honor to-night is that of one of the most illustrious of Americans. In the calendar of liberty none gives us greater inspiration—Lincoln the rail splitter, Lincoln the advocate, Lincoln the legislator, Lincoln the President, Lincoln the emancipator, Lincoln of the ages!

The history of that wonderful career is in millions of our homes. It is studied in our schools. It is known of all nations. Few have approached it in moral grandeur. In the passing of the years his fame will grow as the aspirations for liberty broaden within our own boundaries and reach far across the seas.

I shall not attempt to recite in detail the story of his life, his humble origin, his early struggles, his meager facilities for study, the eagerness with which he availed himself of every educational influence within his reach, his honesty, his intuitive perception of the justice of a cause, the homeliness of his speech and the directness of his methods, his political sagacity and his knowledge of human nature, his belief in the people and his reliance upon them, his steady growth in their confidence until he reached the high office with whose glorious traditions his name will be forever associated. How human he was! How tender he was! How charitable toward the afflicted and the erring! With all his gentleness, how strong, and how completely he met the supreme tests that came to him in the Presidency! What an illustration his life afforded of the truths that early privations need be no bar to ultimate success; that ob-

stacles overcome are the greatest of educators; that integrity and honor and fair dealing are living factors in every real triumph, in every abiding fame; that faith in the people and devotion to their interests are essentials to lasting honor in public life.

For the greater part of the past three-quarters of a century Lincoln's influence on American life has been felt in ever-increasing measure. It was reflected in his contemporaries, and those who have followed him in the Presidency make no concealment of their obligation to him. During the weary and anxious months of the dread conflict in which he became the transcendent figure, his mighty spirit unfolded in all its greatness and simplicity. Those who at first scoffed came to respect profoundly, then to love him.

Through all this land and in many a foreign clime there is to-day this feeling of personal affection for him and devotion to his memory.

Upon the recurring anniversaries of his birth we are coming more and more to apply to existing needs the teachings of his life, his ideals, his achievements. There can be no more appropriate tribute to his memory.

In any discussion of our national problems we can not too often revert to the words with which he closed his immortal speech at Gettysburg, for in "Government of the people, by the people, and for the people" rests our salvation. Dangers beset us on every hand when we stray away from that ideal.

I speak to-night with that ideal in mind, and I shall touch upon a few subjects that seem to me especially worthy of our attention.

It is customary to say that we are now in a period of transition, and in this instance to say what is customary is to say what is true. Old theories and old methods are passing away. From lean years we have come to years of plenty. Prosperity greets us upon every hand. Profitable employment awaits every man who honestly seeks work. The rewards of toil and study and preparation were never so great, and never were opportunities larger for those who give to the State or to the nation their loyal service. Everywhere throughout the land the great arteries of trade throb with new life. Business operations that but a short time ago were conducted upon restricted lines have developed into gigantic undertakings. We have great organizations of capital and great organizations of labor. American spirit and American enterprise are blazing the pathway of civilization.

But as a recent writer has aptly said:

> The commerce and manufacturing of the world is in its infancy. Things now considered gigantic are child's play to what this age of industry and science will evolve. The home market will be one of continued demand. The cities throughout the United States will be rebuilt; two-thirds of the area of this country awaits development. The spirit of enterprise is taking hold of the farmers. Farmhouses will be rebuilt, remodeled, and modernized. Streets throughout the country will be paved and roads improved.
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> As to exports, the whole world is now the field for American genius. The Old World, with its millions of people, is to be copper wired, trolleyed, railed, and implemented; even the most remote districts are to advance to power of exchange. In everything that pertains to the manufacture of goods that promote civilization the American excels, and, besides, he not alone supplies markets, but studies how to create them.

The new era, with its expansion of territory and expansion of commerce has brought its perplexities and its problems. They are many and serious, but as we study them, however much we may disagree as to details of policy, there can be no difference of opinion upon certain of them that are vital to our national welfare. Government must be honest, business dealings must square with the principles of right and justice, the things that are true and clean and of good repute must be exalted, and, underlying the whole fabric of our institutions, we must safeguard our schools and keep pure and undefiled, as the very foundation of our liberties, the American home. Every flippant comment upon its problems, every improper invasion of its privacy, strikes at our national life.

We must approach every public question with a determination to be fair and just in its discussion. Reforms, to be practical, must be reasonable. They must begin among the people whose safeguard is the ballot, through which every offender can be ultimately reached.

There is no warrant for wholesale denunciation of officials. The people must not forget that they are themselves largely responsible if improper men reach positions in the public service. Too frequently the sternest critic is the one who gives the least attention to his civic duties. In the main, government is honestly administered. It is the legislator that is usually the legitimate subject of criticism, not the legislature; and the judiciary, weak as it may be in some instances, has but its proportion of the unworthy.

The founders of the Republic builded wisely when they created as coordinate branches of government the legislative, the executive, and the judicial. They have stood the test of the years. But we need a stricter adherence to the boundaries between them, so that one shall not encroach upon another.

It is quite popular at the moment to deprecate the accumulation of wealth and hold up to suspicion the organizers of great enterprises, and, unfortunately, there has been much occasion for criticism. There are too many who care for how much they have rather than how well they can use it; who fail to realize that "great possessions are a royal trust from God to be employed for the benefit of mankind."

But many of the leaders in the business world to-day, merchant princes in our cities and organizers of industry, are among the finest types of American life, just as in the organizations of labor sturdy and patriotic men have achieved a deserved prominence.

We demand publicity, and properly, in regard to certain matters affecting interstate interests, and the several States must have wholesome requirements as to the conduct of business within their borders. This is the will of the people, and it is right; but because there are men prominent in the business world who are forgetful of the privileges granted them and of their relations to their fellows, there is no occasion for indiscriminate condemnation, nor is there excuse for sensationalism in any form.

In many instances we have presented to us the anomaly of doing harm by our methods of doing good. There is too much of the spirit of propaganda abroad. We find it difficult at times to learn the real sentiment of the people. There must be a clearing away of these superficial movements. What we want to know is the genuine sentiment, ascertained after careful thought and investigation, and then it is our duty to carry out the people's will. Steady insistence upon clean living and good government will in the end meet an overwhelming response.

This is a government of parties, and platforms and policies are essentials to party organization. No party will succeed that is not thoroughly organized, and when we have organization we must have leaders—leaders, mark you, not bosses. The day of the boss in American politics is on the wane. To put it in homely phrase, the time has come when the American people intend to be their own bosses.

I believe in rewarding party service and of opening the door of opportunity to every worthy aspirant for public station; but over its portals I would place the inscription, "Merit first, politics afterwards." No city government can be honestly and efficiently administered that reverses that order, and in the larger field of national service the same holds true in even greater degree.

Our political campaigns must be conducted upon the high plane of principle, in which the fullest discussion of policies shall be encouraged, but in which misrepresentation and abuse shall have no part. There has been much improvement in political methods, and it should be our constant effort to free them from every feature that is inconsistent with good government.

Hateful as the domination of the boss has become, there is a tyranny that is worse than that of any boss—the tyranny of an irresponsible clamor, to which weak men bow and public officials at times yield their conscience and their judgment. Nothing strikes a deadlier blow at liberty than the insidious appeals made in her name in times of public excitement. Every convicted violator of her immutable principles should be scourged to his just punishment; but half a case is no case in her tribunals. Reputations that for long years have had the only basis that is enduring—character—as their strength and bulwark, may be attacked and, for a time, sullied, but in the end our liberty-loving and fair-fighting people will consider the evidence and render their verdict, and they will turn and rend those who, seeking fame or fortune at any cost, have temporarily deceived them. I apply these sentiments to no particular incident or circumstance, but utter them rather as a protest against a tendency of the present. And it was a righteous judgment that found expression in recent comment upon this tendency, that "the means that man takes to kill another's character often becomes suicide of his own." No man should be condemned upon insinuation. No man should be held guilty until his case is all in. Fair play must not become obsolete as an American trait. When we demand honest dealing with the people, we need not resort to the vilification of the blackguard in making our appeal.

There must be liberty of the press everywhere and always. Its comment and criticism hold us to a strict accountability, and should be welcomed by every honest official. But this liberty affords no warrant for hasty generalizations or unworthy attacks upon interests or individuals. Cases before

the courts must be tried there and not in the newspapers. The noble mission of the press must be realized. Every newspaper must be fit for the American home, where purity dwells and honor is sacred.

Benjamin Franklin never said a wiser thing than when he uttered the words:

It has long been the opinion of sober, judicious people that nothing is more likely to endanger the liberty of the press than the abuse of that liberty by employing it in personal accusation, detraction, and calumny.

Of late years there has developed a style of journalism, happily as yet limited in its scope, whose teachings are a curse and whose influence is a blight upon the land. Pandering to unholy passions, making the commonplace to appear sensational, fanning the fires of sectionalism and class hatred, invading the privacy of our firesides, it presents one of the most important of our present-day problems. But just as in the world of business, just as in the field of state and national administration, the shortcomings of a few must not be taken as representative of the many, so these journals of malign influence must not be regarded as fit examples of American journalism. The representative newspapers are true to its best traditions. While they print all the news, they yet make accuracy of statement and conservatism of editorial discussion characteristics of their management. And many of our weekly and monthly magazines are rendering incalculable service to the cause of good citizenship.

From foreign shores there come to us each year a million immigrants. We welcome the good, we should reject the bad. America is the land of liberty, but not liberty to undermine our institutions. In all this vast number there is one class that above all others must find no foothold here. While this is a big country, it is not now, and may it never be, big enough knowingly to admit into the ranks of its citizenship any avowed disorganizer of government or any avowed scoffer at our republican institutions. But our hands are outstretched to those who come to us with worthy purpose. Here in the great Northwest you have some of the best blood of the world—men and women who have come to us to live and to die under the starry banner of freedom.

I can not but feel that it is a healthful and significant tendency of American life and a tribute to the stability of our institutions, that in these prosperous years when we might become careless and forgetful, there has been an awakening of the public conscience to our needs and dangers. But great as they are, there is no occasion for pessimism. The faith that sustained the fathers is the faith that sustains us; faith in the people, faith in their capacity for self-government. However severe the trials, however dark the outlook, the faith that inspired Lincoln is a living force to-day. He saw in the past an earnest of the future. In the noble sentiment of his first annual address to Congress:

The struggle of to-day is not altogether for to-day, it is for a vast future also. With a reliance on Providence all the more firm and earnest let us proceed in the great task which events have devolved upon us.

It is the spirit that breathed through the eloquent words of McKinley:

Always perils, and always after them safety; always darkness and clouds, but always shining through them the light and the sunshine; always cost and sacrifice, but always after them the fruition of liberty, education, and civilization.

It was the inspiration of John Hay's noble oration at Jackson:

How infinitely brighter the future when the present is so sure, the past so glorious. * * * Our path will ever remain that of ordered progress, of liberty under the law. * * * We are not daunted by progress; we are not afraid of the light. The fabric our fathers builded on such sure foundations will stand all the shocks of fate or fortune. * * * We who are passing off the stage bid you, as the children of Israel were bidden, to go forward; we whose hands can no longer hold the flaming torch, pass it on to you that its clear light may show the truth to ages that are to come.

From these leaders who died in that faith we turn to its living embodiment—Theodore Roosevelt.

He cherishes the same traditions, he is actuated by the same high ideals. He is fighting, as they fought, the battles of good citizenship. By every consideration of loyalty, by recognition of purity of life, of singleness of purpose, of splendid grasp of the great questions of statesmanship, he is entitled to our unwavering and enthusiastic support. Not for any class or section or race or creed, he is the President of all the people. And we follow where he leads. Listen to his inspiring prophecy for the future:

Succeed? Of course we shall succeed. How can success fail to come to a race of masterful energy and resoluteness which has a continent for the base of its domain and which feels within its veins the thrill that comes to generous souls when their strength stirs in them and they know that the future is theirs? No great destiny ever yet came to a nation whose people were laggards or faint-hearted. No great destiny ever yet came to a people walking with their eyes on the ground and their faces shrouded in gloom. No great destiny ever yet came to a people who feared the future, who feared failure more than they hoped for success. With such as these we have no part.

We know there are dangers ahead, as we know there are evils to fight and overcome, but we feel to the full the pulse of the prosperity which we enjoy. Stout of heart, we see across the dangers the great future that lies beyond, and we rejoice as a giant refreshed, as a strong man girt for the race; and we go down into the arena where the nations strive for mastery, our hearts lifted with the faith that to us and to our children and our children's children it shall be given to make this Republic the mightiest among the peoples of mankind.

And now, gentlemen, let me say just one word to you as members of the Lincoln Republican Club and of the Young Men's Republican Club. For over half a century the Republican party has pursued its beneficent career, and during all that period its principles and its policies have been among the greatest factors in our moral and material development. The spirit of its leaders who have passed away animates the great organization they loved and served. And those who follow them are pledged to carry forward the standard they bore so worthily. Republicanism is ever aggressive. There are no faltering notes in its battle cries. They ring true on the great underlying doctrines of free government. The party of Lincoln and Grant and Garfield and Arthur, of Hayes and Harrison and McKinley and Roosevelt! What a heritage! What an inspiration for the future! If we are true to their principles we shall stand for clean policies and clean politics. We shall point to the record of an unexampled prosperity. But better a thousand times than this, we shall continue to advocate those theories of government which teach that material prosperity is but a poor and empty thing if accomplished through any sacrifice of the moral sense of our people.

As a nation we must press forward unwaveringly toward the goal of wholesome living, both public and private, waging never-ceasing warfare upon corruption in all its forms, insisting upon obedience to law from the highest to the humblest. But in dealing with the questions that confront us we must strive more and more to attain that condition of national calmness, not of inertness or indecision, but of conscious strength that is in keeping with the glory and honor and dignity of a people who are the heirs of liberty, and to whom the world looks for the realization of her priceless privileges.

The Issuing of Free Passes by Railroad Companies Must Be Stopped.

SPEECH

OF

HON. M. E. DRISCOLL,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, June 2, 1906.

The House being in Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 15442) to establish a Bureau of Immigration and Naturalization, and to provide for a uniform rule of naturalization of aliens throughout the United States—

Mr. DRISCOLL said:

Mr. CHAIRMAN: Many Members of this body are pleased that the railway rate bill has been amended in the Senate by the insertion of an antipass provision. A similar amendment was offered in this House on its final passage. We wanted to support it, but by a bright parliamentary maneuver, and perhaps because of some arrangement between the members of the committee, who had unanimously agreed on the bill, we were denied the privilege of a yea-and-nay vote on the question.

The object of this legislation is to compel common carriers to transport property and passengers at just and reasonable rates, and to prevent discriminations in every form and by whatever methods they may be sought to be accomplished. This law is enacted on the theory that railway corporations are private concerns discharging public functions; that they obtain from the State valuable grants, franchises, and privileges, and that they are responsible to the people for the honest, fair, and impartial discharge of the duties assumed by them.

The gravamen of the complaints against common carriers comes from shippers throughout the country, who assert that they have been unjustly discriminated against by the railroad companies in various ways, showing favoritism to other shippers and other towns and localities. Consequently the greater part of the consideration, in this House and in the Senate, has been given to the question of providing the legal machinery by which these common carriers may, at all times and under all circum-

stances, be compelled to treat all shippers and all localities with even-handed justice. It is hoped that the passage of this bill and its honest enforcement may accomplish that end.

Railroads have been remarkable instrumentalities in subduing and developing our great domain and wonderful natural resources. They are entitled to fair treatment in all respects. They should not be crippled or hampered by drastic or unjust legislation. On the other hand they should be so administered and conducted that all to whom they render equal service should be compelled to contribute equally toward their expenses and profits.

A railway company should be permitted to conduct its own affairs as far as possible without interference or embarrassment by the National or State government, and should be permitted to realize reasonable profits, so that it may be able to declare fair dividends on the capital actually invested, and for the chances and risks which the promotors and investors took in the original enterprise. A railroad company is a quasi public corporation. It receives many rights, privileges, and immunities from the public, and in return it should recognize its obligations to the public. The whole interstate-commerce law is based on this proposition or assumption. Nearly all great constitutional lawyers now admit, or assert, that in their business relations with the public they are subject to governmental control and regulation. Since they are created by law, under and in pursuance of Federal and State constitutions, they are amenable to law, in order that the rights of the citizens may be protected. They have not been inclined to recognize this legal status, but have acted on the theory that they owe no duties to the people which conflict with their corporate interests, or with the individual interests of their managers. They seemed to think that they were as independent and no more amenable to governmental regulation than a corporation engaged in the manufacture of hats or shoes. They have conducted their business with the same indifference to the rights of the ordinary citizen as may the owner of a ship whose vessel navigates the high seas, which are open to all, and where there can be no exclusive right of way or monopoly. They continued this false course until they aroused public opinion to such an extent that it will not subside until they are compelled to recognize that the public has some rights which they are bound to respect; and an effort is now being made to more clearly define their powers and limitations, and ways and means are being devised by which they may be coerced into fair and honest treatment of all the people. This bill provides that—

> All charges made for any service rendered or to be rendered in the transportation of passengers or property as aforesaid, or in connection therewith, shall be just and reasonable; and every unjust or unreasonable charge for such service, or any part thereof, is prohibited and declared to be unlawful.

This statement of the law looks clear and simple. It would seem as if it could be readily understood, and with the cooperation of the companies and their patrons it would seem as though it could be readily observed. Yet this is the essence of the whole bill and of all the laws on the subject. If common carriers had in the past observed this rule, there would have been no interstate-commerce law or Commission. If shippers and passengers had in the past observed this rule, the present convulsion and violent agitation against common carriers would not exist. If common carriers and their patrons would obey it in the future, all the balance of the law could with safety be stricken from the books. But they have not obeyed in the past and will not voluntarily obey in the future, and the present effort of government is to compel their obedience.

What is a just and reasonable charge, and what is an unjust and unreasonable charge? There's the rub. That is the perplexing problem involved in this law and in its equitable execution. For the solution of this question practical railroad men, theorists, statesmen, Representatives, and Senators are striving. Different methods are suggested for determining what is a just and reasonable charge, and it will take time and experience and much litigation to develop a permanent solution.

However, all reasonable people will admit that the rates or charges should not be fixed by the Government so low as to amount to confiscation; that corporations should be permitted to realize reasonable profits on the money invested and the risks incurred. Also, all reasonable people will admit that charges fixed by the corporations for handling freight should not be so exorbitant or the treatment of shippers so unfair as to amount to confiscation of their property, or the ruination of some localities for the benefit of others. All reasonable people will further admit that a just and reasonable charge, whatever that may be in amount for any particular service, is one which should be exacted from all for exactly the same or equal service, and that this rule should apply to the transportation of passengers as well as property. This law recognizes that manifest truth. It is based on the theory that rebates and all forms of discrimination as between shippers are wrong and should be abated, and the principal effort has been and is being made to protect shippers against these unfair discriminations.

However, the passenger business of these great corporations is only second in volume and importance to the freight traffic, and it deserves the same serious and careful attention, to the end that there may be no unjust discriminations as between individuals. If two men ride from Washington to Chicago, one should not be allowed to go deadhead and the other charged two prices. That is unjust discrimination. If five travelers ride from Buffalo to New York, the corporation should not give one a free pass and make the other four pay for five transportations. A common carrier must make the business pay, else it can not be continued. Every free passenger is carried at a loss, and the greater the number or proportion of such free passengers the greater proportion must the paying passengers contribute in excess of a fair and reasonable rate for the service rendered them. If it is wrong to charge A $10 and B only $5 for exactly the same freight service, then it is a greater wrong to charge A $10 and B nothing for exactly the same freight service. That is the acme of unjust discrimination. By a parity of reasoning it is wrong to charge A $10 for a ride from one given point to another and charge B nothing for exactly the same ride. What defense can there be to this discrimination? What excuse can be offered for it? Yet this is exactly what is constantly being done. This kind of discrimination, and other forms of injustice and favoritism in the transportation of passengers and property, was inaugurated and has been developed because of a misconception on the part of common carriers of their powers and obligations to the public.

If free passes were given only to the halt, the lame, and the blind, and to the poor and helpless generally, who would have to walk unless favored in this way, no great wrong would be suffered by the public, and no violent outcry would be made. But that is not the case. As a rule the poor man and poor women have been obliged to pay full fare, while the free transportations have been given to men of means. It is said that railroad corporations have no hearts, no souls, no sympathies, no consciences. They certainly have no nerves, except those which radiate from their financial centers. But the brainiest men in the country are employed in their management. Their presidents and superintendents are men of masterful ability in their lines, else they would not be there. They understand their business and are students of human nature. They are not theorists or moralists. They take conditions as they find them and human nature as it is, and bend their energies toward the improvement of their roads, the extension of their lines, and the payment of dividends. Common carriers are not charitable or eleemosynary institutions, and make no pretentions. They act on the principle or rule of a "quid pro quo." Of course railway managers may have favorites or friends whom they may wish to oblige with free transportations. Those are only a very small proportion of the free passes actually distributed. Generally speaking, when a free ticket is given it is in consideration for a favor received or expected. Doubtless they are often blackmailed and coerced into issuing passes to men whom they despise and from whom they have not received, and expect no substantial returns. But having inaugurated the practice they dare not refuse lest they incur the enmity of the applicant, who may on some future occasion cause the company some damage, directly or indirectly. If not at that time, the applicant may on some future occasion be an assessor, alderman, State legislator, judge, or even a Member of Congress. The companies want the friendship of those in power, and deem it wise policy to buy their peace.

But the most dangerous part in this vicious system consists in the granting of free passes to public officials and their families and friends. An assessor is vested with considerable discretion. He knows it and the company knows it. He applies for passes for himself, his family, and his political and personal adherents. The company dare not refuse. By this means he may intrench himself in office and continue to develop and expand the system.

A member of a State legislature applies for free transportation for his loyal supporters. There are railroad bills before that body. He is vested with power and may exercise it, either for or against the company, and it does not refuse his application. That particular legislator may not be subject to very severe criticism. He is returned from a close district. He is indebted to his political friends and disposed to show his gratitude in some substantial form. His predecessors obtained passes for their friends, why should not he? Should he refuse he may be accused of being too high for his position. His constitutents demand the passes. He yields to the temptation

and complies. He requests them from the company and they are granted; and then, if, in the fullness of his gratitude, he votes for the company's side on a railroad bill he is accused of having sold out to the railroads. He is a victim of the system.

This illustration applies all along the line in official life. The higher up in public position, the more power he has, either directly or indirectly, which may be wielded either for or against the interests of the railroad companies, the more bountifully he is supplied with free transportations. Why should John Doe as a Member of the National House of Representatives be cheerfully granted an annual pass, when the same John Doe, as a private citizen, would be denied that favor? Courtesy, say some. But why the courtesy? Is he not as worthy and perhaps as needy before as after election? Does not the company know that were it not for the pass he would pay cash for his ticket, for he would not walk? Does it issue him the pass because of charity, or because of any sudden friendship for that particular John Doe? Does it not do business on business principles, and does it not issue him that pass as a cold business investment? Is it not because he is vested with power and it is hoped that during his Congressional career he may be able and willing to return due consideration?

The reply generally made to this suggestion is, that the man who is big enough and honorable enough to occupy a seat in this House would not be influenced by any such trifling consideration. I do not assert that he would knowingly, for I entertain a very high and increasing regard for the Members of this body as to their honor, integrity, and devotion to the public welfare. However, they are only men, and human nature is a queer thing. Gratitude is a sweet and lovable trait. If a man receives and accepts favors and is not grateful there is in him a yellow streak. If grateful, may he not be inclined to show his gratitude even unconsciously, and if the only opportunity he has to evince his appreciation of favors received, may he not do so in his legislative capacity? Favors of this character operate differently on different individuals. They may cause one to return them promptly, and with interest, at the public expense. That is admittedly wrong. They may cause another to stand up so straight, in order to illustrate his independence, that he bends over backward. That also is wrong. If a man has continually accepted favors from another person or corporation, and the person through whom those favors have come finally solicits his good will and assistance, he must be a very unusual man, and not necessarily an unusually bad one, if he can treat that request with entire indifference. He has from time to time received what is equivalent to cash. He remembers, and the man soliciting his aid remembers it. It seems to me the request must be embarrassing, if he is an honest man and wants to act entirely on the merits. Is it not better, is it not wiser, and is it not safer, not to accept those favors, and be under no obligations or restraints, so that he may be entirely free to act, and either support or oppose the proposed measure according to the dictates of his judgment and conscience? It may be that the managers of great railroad corporations know men, including public officials, better than they know themselves. They have had experience with all classes and all grades of public servants, and it is fair to say that unless they found this sort of investment profitable it would be discontinued. They seem to understand the frailties of the human heart. The acquisition of a free railroad pass makes the ordinary man feel bigger rather than smaller. He would not think of asking for six and a half dollars cash. But he would not hesitate to apply for free transportation from here to New York. If he fail, he may feel offended; but if he succeed, he swells up with the sense of his own importance, and if it be given voluntarily, he appreciates it more, for it proves to him that he is looked upon as a man of influence, whose good will a great corporation is striving to cultivate.

Besides, a free pass means a ride as the guest of the company, and special attention and deference on the part of the company's employees. Two men board a train at Washington for Chicago, Brown and Smith. And these names are selected for convenience and are intended to be entirely impersonal. Brown has a free pass. Smith has an ordinary ticket, purchased at the regular price. Smith may have exhausted his funds for the ticket, and sits in a common coach. Brown is quite sure to buy a seat in a chair car, if that, too, has not been given him. But suppose both passengers occupy a sleeper and travel together. Brown presents his "annual" transportation. The conductor examines it and bows deferentially to "Mr. Brown," for he is a person of consequence. He makes an impression and will be remembered. Smith produces his ticket. It is punched mechanically, and in order that he may be identified during the remainder of the journey a blue or yellow card is placed under his hatband. The dinner gong sounds, and both repair to the dining car. Brown appreciates his importance and wishes to impress those around him, including the colored waiter. He orders sumptuously from the choicest viands, with a frappéed bottle to wash it down, for since he is riding free he can afford a few luxuries. Smith appeases his hunger on ordinary fare, with ice water for a stimulant. Brown displays a roll and pays for his feast. Smith settles at the regular price. Brown, warmed to generosity by the wine, and still bent on making an impression, tips the waiter handsomely, for he can afford to be generous. Smith has paid his passage and the price of his dinner, and sees no good reason why he should contribute to the compensation of the company's employee. The waiter bows and scrapes to Brown, jumps for his hat, and strives in every possible way to show his appreciation and thanks, for Mr. Brown is "a gentleman." Smith receives no further attention. He gets his hat and makes his escape under the withering stare of the offended waiter, who tries to make him feel that he is an unwelcome intruder who should supply his needs at the common lunch counter. After dinner Brown smokes a very choice brand of imported cigars, while Smith contents himself with the domestic article. Both prepare to retire and do not wish to be disturbed during the night. Brown delivers to the porter his "pass." Smith delivers his common ticket. Both order their berths made. Brown's is made first, for he has a pull with the company, and it would not be wise to incur his displeasure. Smith's berth is prepared after all the "Browns" are served. Brown is a deadhead, who is carried at a loss to the company and receives all the attention and consideration, for he is an important personage, while Smith, who has paid his own fare and part of Brown's, is treated like a nobody.

After a series of such delightful tours throughout the country, with such marked and obsequious attentions, would not Brown be an ingrate if he would not appreciate them, officially or unofficially? Would not his moral fiber, however sound by nature, relax somewhat when under these mellowing influences, and would not a truly generous and right-minded man under these circumstances be disposed to give as well as to take? And would not Smith, after several experiences of this character, and the observation of this partiality and unjust discrimination, become a little prejudiced against the company, and be inclined to decide a doubtful question against it?

Motives, sometimes small ones, are apt to influence the human judgment and conscience. The law recognizes this fact, philosophy teaches it, and all experience and observation lead the mind to this conclusion. The cause should be removed. The temptation should be taken away. This demoralizing system should be discontinued. The antipass amendment adopted by the Senate should be accepted as a whole by the House, if it can not be improved. It is a step in the right direction, but too loose, too lax and liberal in the wrong direction.

The majority of the exceptions there included should be eliminated. Why should free passes be issued to members of the immediate families of railway officers, agents, employees, surgeons, physicians, and actual bona fide attorneys? If passes are issued to those servants or employees while actually traveling in the business of the company, that is as far as the exception should extend. Why should the members of their immediate families receive those favors? Why should passes be interchanged or swapped for the benefit of officers, agents, and employees of other carriers and their immediate families? They should pay their way, so that others may ride at just and reasonable rates, and permit the companies to make just and reasonable profits.

This amendment is incorporated into the bill for the purpose of preventing favoritism and discrimination in the passenger service, which are unjust to those who have to pay, and corrupting to the public service. Then, why should an exception be made in behalf of ministers of religion? They are members of a high and learned profession. They should practice, as well as preach, virtue. Example counts for more than dogma. They stand for exalted citizenship in all respects and obedience to the law. They are not paupers, but as well able to pay their way as many other elements of society. Then, why should they be permitted to violate a wholesome regulation? If this law is good for society at large, they should be the first to sustain it at any personal sacrifice. And I have confidence that they will cheerfully do so; that they will resent the suggestion contained in this amendment as an insult to their dignity, their calling, and their citizenship. What is true of clergymen is equally true of secretaries of Young Men's Christian Associations. The members of that organization are a very large body of young men who are being trained physically, intellectually, and morally for the duties of honorable and militant citizenship. They should be the first to obey the law, and their secretaries, to whom they look for instruction and guidance, should be the first to set the good example.

Why veterans of the civil war, on either the Union or Confederate side, should be mentioned for this belittling consideration surpasseth my understanding. Both fought with the courage and determination born of conviction. They were the best soldiers who ever faced each other on a field of battle. For their bravery, fortitude, and self-sacrifice they are entitled to all the honor which the Congress or the nation can bestow. Every free pass granted is an act essentially wrong and inherently vicious. It is discrimination in favor of one and against another, and in violation of the principle sought to be established by this act. The fair fame of those aging veterans should not be tarnished by expressly naming them as permissible recipients of those favors which can be granted only by waiving the conditions of a meritorious and much-needed law. Those who can afford to pay their way will repudiate the proffered preference, and the poor and needy among them may be included in some other classification. The exceptions to this amendment do not require, but simply permit, common carriers to issue free passes to the people included within these exceptions. It would be safe enough to permit them to accommodate with passes all men and women who are needy, including old soldiers, sailors, farmers, mechanics, and even broken-down politicians. Such a permission would regulate itself. The companies do not give such people many free transportations, for they are not in a position to return an equivalent. The recipients of these favors are, as a rule, not in need, but on the contrary, by reason of their positions in society, business, and politics, they are able to make good. This vicious practice was not developed and expanded by the unselfish generosity of the common carriers, but because of a desire for gain in some form for themselves, or for high officials in their employ.

The granting of free tickets operates as an unjust discrimination in freight rates, which it is difficult to prevent, by furnishing free passes to shippers and their agents and families. The revenue must be kept up. Those who pay for their accommodations must contribute toward making the company good for those who do not pay, and it extends beyond the loss to fellow-passengers. If the passenger traffic of a company be conducted at a loss, it must be made good from the freight business, and then the shippers must pay higher charges for the transportation of their property. In whatever form the question is stated, from whatever point of view the situation is viewed, the same conclusion must be reached—that those who pay contribute toward the expense of those who are carried free.

The original interstate-commerce law of 1887 provided in general terms against the issuance of free passes in the following sections:

SEC. 2. That if any common carrier subject to the provisions of this act shall, directly or indirectly, by special rate, rebate, drawback, or other device, charge, demand, collect, or receive from any person or persons a greater or less compensation for any service rendered, or to be rendered, in the transportation of passengers or property, subject to the provisions of this act, than it charges, demands, collects, or receives from any other person or persons for doing for him or them a like and contemporaneous service in the transportation of a like kind of traffic under substantially similar circumstances and conditions, such common carrier shall be deemed guilty of unjust discrimination, which is hereby prohibited and declared to be unlawful.

SEC. 10 (as amended March 2, 1889). That any common carrier subject to the provisions of this act, or, whenever such common carrier is a corporation, any director or officer thereof, or any receiver, trustee, lessee, agent, or person acting for or employed by such corporation, who, alone or with any other corporation, company, person, or party, shall willfully do, or cause to be done, or shall willingly suffer or permit to be done, any act, matter, or thing in this act prohibited or declared to be unlawful, or who shall aid or abet therein, or shall willfully omit or fail to do any act, matter, or thing in this act required to be done, or shall cause or willfully suffer or permit any act, matter, or thing so directed or required by this act to be done not to be so done, or shall aid or abet any such omission or failure, or shall be guilty of any infraction of this act, or shall aid or abet therein, shall be deemed guilty of a misdemeanor, and shall, upon conviction thereof in any district court of the United States within the jurisdiction of which such offense was committed, be subject to a fine of not to exceed $5,000 for each offense: *Provided*, That if the offense for which any person shall be convicted as aforesaid shall be an unlawful discrimination in rates, fares, or charges for the transportation of passengers or property, such person shall, in addition to the fine hereinbefore provided for, be liable to imprisonment in the penitentiary for a term not exceeding two years, or both such fine and imprisonment, in the discretion of the court.

It would seem as if those sections, with the other provisions in the same general act, were clear enough and comprehensive enough to abate the practice of granting free transportations, if the carriers and people were disposed to obey them. Yet, in the face of that law, it will not be questioned that the practice was continued throughout the country. Some companies evaded it by various subterfuges and devices and others openly and boldly ignored it. Legislative, executive, and judicial officers of the Federal and State governments have either been ignorant of its existence or have looked upon it as a dead letter. This practice of evading or breaking the law has exercised a very general and insidious influence on business and political affairs. The effect has been to weaken the moral force and stamina of society. When men commissioned to execute the law were the first to break it, what hope was there for its effectual enforcement? The open and flagrant violation of this provision against favoritism and discrimination in passenger transportation tended to belittle the whole act. It was made ridiculous and contemptible. The expected happened. Carriers and shippers who were accustomed to ignore one part of the law with impunity proceeded to violate the balance, perhaps not so openly and boldly, but quite as effectually. The enforcement of one part of a statute is quite as important as the other. Government can not maintain respect and obedience for one while it winks at the violation of the other.

According to parliamentary practice and precedent the whole matter is now in the hands of the conferees. The Senate recognized the antipass provision in the old law by inserting an amendment to the same effect in the pending bill. And I am very glad to have just learned from the chairman of the House committee that the amendment is retained and very much improved. That the exceptions favoring several classes of people—some of which would make the bill ridiculous—have been eliminated. The House conferees have done well in securing such a clean-cut statement of the law, with a reasonably severe penalty for its violation. They are entitled to the earnest commendation of their colleagues, and I venture to predict that it will not fail of passage.

We are the only officers of the General Government, from top to bottom, who are elected directly by the people; and if we are true to our obligations and fairly represent the views of the majority of our constitutents, we will vote for an ironclad antipass law, and use our influence in and out of Congress for its faithful and rigorous enforcement.

It is frequently said that little, if any, reform will be accomplished by it. That it will be obeyed for a while, then allowed to relapse into innocuous desuetude. But let us do our duty. Let us give it another trial. Let us galvanize it into new life. Let us serve notice on the railroads that we mean business, and that it will be enforced; and let us serve notice on the people that they have a great duty to perform in assisting toward its faithful execution. The giving as well as the taking of a free pass should be declared to be a crime, and the penalty visited on the taker should be equal to that on the giver. Then the possessor of such a card would not display it as evidence of his importance, but would carefully secrete it as evidence of his guilt. The men who, in the past, have been accustomed to accept them would not use them in the future for fear of punishment, if for no higher motive.

According to the testimony taken before the Interstate Commerce Commission, and in other proceedings, some of the great railway operators will be glad to join hands with the people for the suppression of the free-pass vice. It was inaugurated by the companies, and has grown so great as to become an abuse and a burden. Many people have become so accustomed to ride free that they look upon it as a right, or a legitimate perquisite, which the companies are bound to respect; and when men of power and influence demand these favors they deem it wise policy to comply. By this they lose a large percentage of their legitimate revenue. If they tell the truth, they, too, are victims of their own vicious system.

Hon. Martin A. Knapp, Chairman of the Interstate Commerce Commission, who is a very well informed and conservative man, estimated that the railway companies of the country lose from 20 to 25 per cent of their legitimate revenues by the free-pass practice. That statement may surprise many, and yet the chances are that it was an underestimate. Honest railway managers know that it is an abuse and that it is wrong. They must make the business pay, and they recognize the injustice of making 75 or 80 per cent of the people who buy tickets pay for this 20 or 25 per cent who are permitted to ride free. But this kind of insidious and demoralizing favoritism has long been in vogue. It is deeply rooted in the body politic. No single manager or company is able to eradicate it. Its condemnation must be general, and the masses of the people must do their part toward its abatement.

The Government is not an abstract machine or organization. It consists of citizens commissioned by the people to make, interpret, and execute the law. They are clothed with authority from the masses of the people and are responsible to them. All officials of the Government are put there, directly or indirectly, by the voters, and all along the line, from the President down, they fairly represent their constitutents in ability and public virtue. A stream will rise no higher than its source. If the standard of the public service would be raised, the general average of the voters must be elevated in righteousness and intelligence.

Just now there is a revival in political morals. A wave of civic virtue is sweeping over the country. Grafters are being

indicted, tried, and punished. Senators are being prosecuted for violations of statutes and frauds on the Government, and are being driven to death or prison. Insurance presidents are being driven into retirement, exile, or the grave. There is a loud outcry against the Standard Oil Company, the meat trust, the tobacco trust, the steel trust, the lead trust, and many other trusts and combinations which are reaping tremendous profits by crushing out competition and creating monopolies. Public opinion is aroused and is ready to strike down the leaders of the parties and the idols of the people for acts which at other times have been passed over in silence. Is this a mere spasm, a temporary convulsion, which will subside as suddenly as it arose? Does it indicate a permanent uplifting of public sentiment and an abiding determination that those vested with power of office, power of wealth, and power of industrial and commercial monopoly shall recognize the fact that the general public has rights which they are bound to respect?

I fully believe that this system of free transportation to people in office and to other people of power and influence is an insidious and demoralizing practice, and should be stopped. Many ordinary people are largely responsible for it. Many of them have been wont to look upon free passes as a legitimate perquisite of office and to consider the man who did not improve his opportunities in that regard as behind the times. If they would check this evil and others which flow from it, they must reverse their opinions in this respect. They must not solicit any more free passes from their representatives in the State or National Government. Shippers, contractors, teachers, preachers, professors, and politicians, and all other classes of citizens, should pay their regular fares. They should ask no favors and give none. All should stand by the law and its vigorous enforcement. When the people do their part, and pay for their accommodations according to the schedule rates, it will not be so difficult to make the carriers stop unjust discrimination in the transportation of freight and render service to all at just and reasonable rates.

Freightage is a tax on commodities. Shippers are the ones now complaining; but eventually, in this, as in other taxes, the millions of toilers bear the burden. The consumer pays the price plus the freight. He can not escape. He is therefore interested that these taxes be made as low as possible. Every citizen watches the tax budget and rate, which are small compared with his annual contributions toward transportation companies. He should be willing to pay fair profits to the companies on their investments and risks; but he has a right to protest against excessive rates and inordinate profits. If a shipper, he is doubly justified in crying out against any form of favoritism toward his competitors. This equality of treatment is not a favor to be importuned from common carriers, but a right to be demanded. If the companies are wise, they will yield gracefully to this reasonable demand, for if the railroad managers continue to disregard it and conduct their business as if they are above the law, and continue to absorb into the hands of the few the wealth of the country, government ownership of all transportation facilities will be the result.

The ghost of national socialism is appearing on the political horizon, and the railway magnates and others who have accumulated their millions by monopolies of the necessaries of life and frauds on the masses better beware. It would be well for them to sit up and take notice and read the signs of the times. But there are those aside from the managers of those great corporations who are equally responsible for the present conditions. Discriminations in the transportation of property and passengers are not offenses which can be committed by the companies alone. There must be partners in these crimes. The provisions of this law against discriminations in the freight traffic will never be effectually enforced while the provision against free transportation of passengers in the former act or in the amendment to this bill is indiscriminately violated. Both parts must stand or fall together. The efforts of the President and the executive officers who are intrusted with the administration of this law should be supported by every citizen. Every man who accepts a free pass is an enemy to the law. He puts himself under obligation to the company. He is no longer entirely free. When he violates the law he is prone to condone its violation by others. If the companies continue to evade the law with reference to freight traffic, they will want sympathy. They will need to develop a public sentiment that will wink at their evasions, and that, according to their experience, can be most insiduously accomplished by granting favors in the form of free passes. "Let him who is without sin cast the first stone." "Those who live in glass houses should not throw stones." The companies appreciate the force of these proverbs.

I have the honor to represent a large constituency of unusually intelligent and progressive people. Yet, while Members from other sections of the country have been deluged with letters, telegrams, and petitions advising them how to vote on the railway rate bill, I have not, since the commencement of this agitation, received a single communication on the subject from my district. Whether that silence indicates indifference or hopelessness or satisfaction with present conditions or confidence that their Member needs no advice on this particular bill I am not entirely certain. I voted for it, and will do so again. However, I have little faith that the results expected of it by its friends will be accomplished unless it contains an ironclad antipass provision and that it be enforced with unrelenting persistency. These are my abiding convictions on this question after having given it much thought during a period of many years.

It may be said that I take myself and the subject too seriously; that the free-pass custom has prevailed and will continue; that if the companies are disposed to be clever, let them alone; they can afford it and their favorites enjoy the free rides. This phase of public opinion is the result of thoughtlessness. "Beware of Greeks bearing gifts." It is a serious matter. The present concentration of business, wealth, and power is cause for alarm, and the tendency to greater centralization is positively dangerous to our republican institutions. Nearly all the railroads are now in a few combinations. The logical result will be to absorb them all in one gigantic system under a single head. Then railroad men will have but one employer and shippers but one common carrier by land. There will be no competition, and passes will be distributed not as inducements for freight business, but for corruption purposes. Centralization in other directions will be perfected. The trusts will grow and grind and crush out all independents, and the necessaries of life and transportation facilities will be absorbed in a few monstrous combinations.

This would tend toward economy and the cheapening of commodities, and some good would result if the profits were distributed. But they are not, and will not be in the future. They are absorbed by the monopolists to enlarge their fortunes and magnify their power. The rich are growing richer, and the proletariat is increasing. Middlemen are being eliminated. Small merchants and business men are falling by the wayside. They must accept service in the large concerns or starve. The effect of all this concentration is that the proportion of men who are entirely free to think, act, and vote as they please is constantly becoming smaller. Such a condition will become a menace to free institutions. Industrial serfdom is but a shade better than chattel slavery. Is this a serious matter? Is this an encouraging prospect? The national socialists welcome these conditions and rejoice at the present tendencies, for they favor collectivism and paternalism, and contend that when the production and distribution of the necessaries of life are substantially centralized the business should be conducted by the Central Government so that the profits may be widely distributed.

Eternal vigilance is the price of liberty now as in more heroic times. Will the people check this tendency ere it is too late? It can be done if they will set their faces resolutely against it. It can not be done by timeservers or sycophants, and people who accept favors from those enemies of individualism surrender their independence and lose their usefulness in this patriotic cause.

The Naturalization Bill.

SPEECH

OF

HON. HALVOR STEENERSON,

OF MINNESOTA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, June 2, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration the bill H. R. 15442—the naturalization bill—

Mr. STEENERSON said:

Mr. CHAIRMAN: I desire to state that I am in hearty sympathy with the main objects and purpose of this bill and I desire to say further that as this bill was reported it contains some very serious errors. It was a very imperfect bill, and I think I had the honor to suggest to the gentlemen of the committee and to the gentleman in charge of this bill, the gentleman from Colorado [Mr. BONYNGE], some of the amendments which have just been adopted, at least two of them. As the bill was re-

ported it was impossible to be naturalized if you moved from one State to another if you happened to take your declaration of intention to become a citizen on your first arrival in the country. Undoubtedly these things have been overlooked by the committee and by those who prepared the bill. The other defect in the bill which has been corrected by the amendment just offered related to the effect upon the operation of the land laws of the United States, inasmuch as a large number of people have settled on the public domain, having taken out their declarations of intention, and would be entitled to make final proofs upon compliance with the homestead laws. If this bill had passed as the committee recommended it should pass, it would have forfeited thousands of homesteads upon the public domain. The land laws permit entries by aliens who have declared their intention to become citizens, but requires that before making final proofs they must be citizens. Many of these entrymen have no opportunity, being on the frontier, working on their land and associating only with their families, to learn the English language before making final proof, and this they must do within a certain time, which may in some instances be near at hand, and in case of failure their land is forfeited. Such a result was so shockingly unjust that the committee finally agreed to so amend the bill as to make it apply only to persons who shall hereafter declare their intention to become citizens. This, however, in my opinion does not go far enough, for this so-called "literary test" should not apply to any who take up homesteads on the public domain. If an exception is made in favor of homesteaders on the public domain it will be in harmony with the provision of the proposed immigration bill which seeks to aid in distributing immigrants in the interior and on the frontier, where they can become farmers and home builders. The defects which the bill contained have been to an extent remedied by the amendments already adopted at the suggestion of the gentleman in charge of the bill, and it is hoped he will accept the further amendments suggested.

I now desire to call attention to another very serious question regarding this bill, and that is whether or not it does not operate to repeal existing law relative to naturalization of foreign-born minor children through the naturalization of their parents, and thus to alienize thousands of people and cause endless confusion and injustice. The section that has just been read in the first line says "that an alien may be admitted to become a citizen of the United States in the following manner, and not otherwise," and then at the end of the bill it provides "that all laws inconsistent with the provisions of this act are repealed." Now, it is true that section 2172 of the Revised Statutes is not expressly repealed, but that section is, in my opinion, inconsistent with the provision that I have just read and which it seeks to amend. The provision of section 2172 of the Revised Statutes is as follows:

> The children of persons who have been duly naturalized under any law of the United States, being under the age of 21 years at the time of the naturalization of their parents, shall, if dwelling in the United States, be considered as citizens thereof.

In order to be on the safe side and not run any chances of such serious results, I have offered the following amendment, which I ask the Clerk to read.

The Clerk read as follows:

> Amend by striking out lines 3, 4, and 5, page 4, and insert the following: "That an alien may be admitted to become a citizen of the United States in the following manner, and not otherwise, except as provided by section 2172 of the Revised Statutes.

Mr. STEENERSON. That will preserve the present rights in the matter. It is unnecessary to explain the disastrous effect that the repeal of that section would cause. I am sure that no member of the committee and that no Member of this House who understands the situation would for one moment propose any such monstrous proposition. This question of the effect of the naturalization of parents upon the citizenship of minor children concerns the doctrine of citizenship, but it is regulated by the naturalization laws, and is therefore involved in this discussion. A repeal of section 2172, Revised Statutes, would abolish citizenship by descent and leave the common-law doctrine of citizenship by birth only as in full force. Great Britain abandoned that doctrine, and in 1870 enacted a statute which says:

> Where the father, being a British subject, or the mother, being a British subject and a widow, becomes an alien in pursuance of this act (by naturalization in a foreign state), every child of such father or mother who during infancy has become a resident in the country where the father or mother is naturalized, and has, according to the laws of such country, become naturalized therein, shall be deemed to be a subject of the state of which the father or mother has become a subject and not a British subject.

The law of Continental Europe was that the children naturally follow the condition of the parents.

> The United States has not the power to declare its members citizens of nowhere, and cast them adrift upon other civilized governments for protection. (Webster on Citizenship, 129.)

The law as it now stands has been in force since March 26, 1790, when the following provision was enacted (1 Stat. L., 103):

> And the children of such persons so naturalized, dwelling within the United States, being under the age of 21 years at the time of such naturalization, shall also be considered as citizens of the United States.

This reappeared in the act of January 29, 1795 (1 Stat. L., 414), and was not repealed by the act of June 18, 1798 (1 Stat. L., 153), which is incorporated in the Revised Statutes, as follows (sec. 2172):

> The children of persons who have been duly naturalized under any law of the United States, * * * being under the age of 21 years at the time of the naturalization of their parents, shall, if dwelling in the United States, be considered as citizens thereof.

The origin of the provision is probably to be found in the Virginia law of 1779 (Henning's Stat. L., 10, 129):

> And all infants wheresoever born whose father, if living, or otherwise whose mother, was a citizen at the time of their birth, or who migrate hither, their father, if living, or otherwise their mother, becoming a citizen, or who migrate hither without father or mother, shall be deemed citizens of this Commonwealth until they relinquish that character in manner hereinafter expressed.

And then follows in this notable act, which Thomas Jefferson drafted, a pronouncement of the right of expatriation.

The law of England on the subject before us is especially important, because of the circumstances surrounding its adoption. It was enacted in 1870 (33 Vic., 170) upon recommendation of a royal commission appointed in 1868 to inquire into the laws of naturalization and allegiance. Lord Clarendon was the chairman of the commission, Robert Phillimore and Vernon Harcourt were among the members, and Lord Chief Justice Cockburn made its findings the basis of his treatise on nationality. One of the moving causes for the appointment of the British commission, Chief Justice Cockburn states in the introduction to his book (p. 3), was the report of the Committee on Foreign Affairs of the House of Representatives on the rights of American citizens in foreign states, and one object sought to be achieved by the British commission was to bring the English law of naturalization and citizenship more nearly into conformity with American law than it had thus far been. The English statute is as follows:

> Where the father or the mother, being a widow, has obtained a certificate of naturalization in the United Kingdom, every child of such father or mother, who during infancy has become a resident with such father or mother in any part of the United Kingdom, shall be deemed to be a naturalized British subject.

There was no doubt in the minds of the British commission that this section was to the same effect as the law of the United States. Chief Justice Cockburn states our law thus:

> The children of a naturalized alien, if minors at the time of such naturalization, become citizens through naturalization of the father; a fortiori children born after the father's naturalization. (Nationality, p. 40.)

The meaning of our statute was thus stated by Secretary Blaine in 1881:

> The Department has always held the provisions of section 2172 Revised Statutes as applicable to such children as were actually residing in the United States at the time of their father's naturalization or to minor children who came to the United States during their minority and while the parents were residing here in the character of citizens. This view appears to be in conso ance with the traditional policy of our Government on the subject of citizenship. (Van Dyne on Citizenship, p. 121.)

These children are citizens of the United States by naturalization, and they do not become such until they come to the United States to dwell, because no country can naturalize people not within the jurisdiction of its laws. When they come to the United States to dwell they are on the same plane with other citizens. "All persons born or naturalized in the United States, and subject to the jurisdiction thereof are citizens of the United States and of the State wherein they reside," says the Constitution. Article XIV, section 1.

Many minors go abroad for educational and other laudable purposes. If they are citizens of the United States they receive the protection of this Government, but if they are aliens they can not receive such protection. If one of the class we are considering were to return to the country of his birth he might receive its protection if his return were permanent, but under the laws of most States he would be an alien if his return were only temporary. Outside of the country of his birth he would be able to look to no Government for protection. He might be unjustly impressed into a foreign army, being, in fact, of the very age for military duty; he might be expelled from the country because he could not establish his nationality; he might be imprisoned under suspicion; he might be deprived of his property or even of his life, and no power would have a right to intervene in his behalf. If he sought to come back to the United States he would have to return as an alien immigrant, and if his health were bad or his money gone, he might actually be deported to the inhospitable shores from

which he sought to escape. The countries of continental Europe habitually demand proof of nationality of foreigners, and often expel those who can not produce it. No one can enter, or sojourn in, or leave Russia or Turkey without showing a certificate of his citizenship. No one can matriculate at the schools or universities of the continental States without this proof.

Recommendations to change existing law should have as a basis the correction of evils which have arisen, but there is no evidence that the law under consideration has produced any noticeable evils.

Mr. Gallard Hunt, of the State Department, in his discussion of this question in the report of the Commission on Naturalization, concludes:

Many bills have from time to time been introduced in Congress proposing extraordinary restrictions to admission to citizenship, but a careful search has failed to discover that any bill was ever introduced having as its object the abolition of the long-existing rule that the naturalization of the parents shall naturalize the minor children dwelling in the United States.

The rule has apparently received little consideration, and this is good proof that few evils have resulted from it. My own experience is that there are few impositions upon American citizenship practiced under it, fewer, in fact, than result from the provision, to which no one can reasonably object, which makes American citizens of children born abroad of parents who are already citizens. It has been said, however, that under the law as it stands a minor who is nearly of age may come to the United States and leave in a short time a full-fledged American. Undoubtedly he may, but it must be remembered that he can be protected while he is abroad only as long as he entertains in good faith an intention of returning to the United States to perform the duties of citizenship. As soon as it is evident that he is not dwelling in the United States he is held to have practically expatriated himself.

It may be said also that the child of a naturalized citizen may come to the United States when very young and return immediately to a foreign jurisdiction an American citizen, and that, being under age, he must then be protected for years until he reaches his majority and elects his nationality. This is an extreme supposition, under which no concrete cases are on record as having arisen; but it may well be doubted whether in this case the child would be considered as ever having resided or dwelt in the United States, and if he never dwelt in the United States he would never be considered its citizen.

It is true that in a few cases young men who are not fitted for citizenship, and would be prevented from securing it if they applied in their own right, now secure it through their parents' naturalization; but there are not enough of them, and the evils arising from their admission are not important enough to justify a change which would sweep a whole class into helpless alienage. This class comprises many thousands, nearly all of whom come to the United States at an age when they are most susceptible to the influences which surround them. Their parents, under whose control they are, are American citizens; they go to American schools; they know no other allegiances than that of the United States; they look upon themselves and are looked upon by others as Americans. It is a common event for the alien who seeks a home in the United States to wait until he has established himself before sending for his family to share his fortunes. If the naturalization of adults is surrounded by careful safeguards so as to exclude the unfit, the question of the fitness of the children may safely be left where it is. It must be remembered, finally, that the citizenship which is conferred on these children does not militate in the slightest degree against their electing another nationality than ours immediately upon their reaching manhood.

These views are sound and the result of special study and observation. I submit that in view of the great importance of the subject we should take no chances of an unintended repeal of existing law, and that the saving clause I have proposed should be adopted.

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The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

Mr. STEENERSON. Mr. Chairman, I move to strike out the last word. This amendment simply requires that candidates for naturalization shall speak English. It liberalizes the bill. The object of this bill is to remedy an evil. That evil is set forth in the report as being fraudulent naturalization. They have pointed out that large numbers of people have received certificates of naturalization who are not entitled to them. Some of these certificates were absolute forgeries, and were sold to people residing abroad in order to enable them to evade the immigration laws and land in this country. Others were obtained by false personifications, so that they were issued in fictitious names and then afterwards used by the people not entitled to them; and it is set out in the report that these frauds were perpetrated in the interest of elections, that particeps criminus to these frauds are election committees who seek to get votes and at the same time to bribe these intended voters who are not qualified to vote to vote in the way that they desired. These are great evils. They are serious impositions upon the rights of every American citizen, and such evils should be remedied. But allow me to ask how is this evil going to be remedied by this particular provision requiring this so-called "educational qualification?" It is, however, correctly speaking, not an educational qualification. It is a linguistic qualification, because a man may be educated in other languages than the English language. Under the operation of this law as proposed in the first place it would have forfeited, as I have already pointed out, thousands of homesteads of bona fide settlers on public domain, but even with the amendment it still operates to discriminate in the future against aliens who do not possess the qualifications of speaking and writing the English language. The result will be to discourage the settlement of the newer portions of the country by good, honest, hard-working people. You would by this proposed measure make the laws operate unequally. If, for instance, an elderly man like President Falliers, of France, should decide to emigrate to the United States he can not be naturalized, because in all probability he would not be able to learn the English language within five years, whereas Count Boni de Castelane, who has undoubtedly had opportunities in the last ten years of learning the English language, could be naturalized, because he could speak and write the English language.

The CHAIRMAN. The time of the gentleman has expired. Without objection, the pro forma amendment will be withdrawn.

Mr. STEENERSON. Mr. Chairman, I ask unanimous consent that I may be permitted to extend my remarks for five minutes.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to extend his remarks for five minutes. Is there objection?

There was no objection.

Mr. STEENERSON. I say that the law would operate unequally, and the result would be that the United States would be deprived of industrious, good, honest citizens. Now, the qualifications that we have required of people in the past who intend to become citizens is that they be men of good moral character, and that they are attached to the principles of the Constitution of the United States. That is an important part of the qualification. [Applause.] They may be men of good moral character and attached to the principles of the Constitution of the United States and yet be unable to comply with this requirement. It is an unfair discrimination against immigrants from non-English speaking countries, as I pointed out when this bill was up for consideration on a previous occasion.

It is not from the immigrants who come here to settle on our public domain, who come to abide here permanently and to build homes and raise families, that we may expect frauds upon our election laws or danger to our free institutions. Such immigrants should not be denied citizenship because of inability to speak and read and write English. They may notwithstanding be as loyal and as patriotic as any. Nothing has been shown that connects inability to speak English with any of the evils complained of. There is no relation of cause and effect between them. The frauds and perjury against naturalization laws were committed by persons proficient in English. I hope that the amendment which I have sent to the desk and which I will ask to have read will be adopted.

The Panama Canal—For What and for Whom Is It to be Constructed?—A Note of Discord, and a Word of Warning.

SPEECH

OF

HON. CHARLES H. GROSVENOR,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Friday, June 15, 1906,

On the bill (H. R. 19844) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1907, and for other purposes.

Mr. GROSVENOR said:

Mr. CHAIRMAN: I know it is ungracious and unpopular that amid the chorus of enthusiasm about the building of the Panama Canal there should be a note of inharmony; nevertheless I shall sound that note.

We have entered upon a proposition that has been the dream of statesmen and business men for very many years, which involves the building of the Panama Canal and the connecting of the two mighty oceans—the Atlantic and Pacific. When completed the Panama Canal will be a world highway, and the enterprise is second in its cost to no enterprise ever undertaken by mankind. It will, in the end, involve an expenditure of money unheard of and undreamed of hitherto as connected with any one enterprise, and it may be wise now to stop and consider something of the momentous importance that attaches to this mighty work. That it will be the greatest achievement of engineering skill, if completed satisfactorily, that the world has ever witnessed, no man, I think, will deny.

Engineers have pierced the mighty chains of European mountains and steel tracks have connected Switzerland with Italy and France with Italy, and the Suez Canal was the wonder of the world in its day, and there are other canals and enterprises of mighty importance, and yet there is not one of them that is significant as compared with this mighty undertaking. If it shall be completed successfully and without duplicating the scandals pertinent to its former history, the Panama Canal will be recognized as the great illustration of what man can do, how he can contend with distances, how he can obliterate mountains and obstructions, and how he can redistribute the continents and reunite divided oceans. And as an engineering feat, if thus accomplished, as it will be, the men who originally planned it and the men who have stood over it and fought for it and the men who shall have impressed themselves and their genius upon its form and structure will be noted men, for it is more than probable that no achievement like it or its equivalent will be known among men in the future.

What is the purpose of this canal? For whose benefit has it been projected, and for whose benefit will it operate? Its cost is to be something simply enormous. I do not believe that any intelligent man possessed of money to invest in an enterprise like this would for a moment invest one dollar in the building of the Panama Canal if he found it impossible to do so with an intelligent knowledge of the ultimate cost of the enterprise. When the most skilled men in the world differ so widely, is there any wonder that we, who are mere laymen in this mighty field of study should have no opinion and be unable to form one as to the outcome of this enormous expenditure?

In round numbers, we have expended, including our obligations coming due, close to $100,000,000, and what has been done? We have not yet decided what the type shall be. We do not know whether it is to be a lock-level canal, so eloquently and effectively supported by the gentleman from Ohio, my esteemed colleague [Mr. BURTON], or whether it is to be a sea-level canal, as is insisted upon by many other able men. It would seem to a nonprofessional man that the rudiments of common sense in business have been set aside and ignored when we spend a hundred million dollars and do not know what we are proposing to do with it. If a man in one of our towns should excavate for a foundation for a house and begin to expend money for material, first a few brick, then a few pieces of timber, and then a little paint, and so on, and on being interrogated would be unable to state what size the house is to be, what form of house he was going to build, and out of what material it was to be constructed, and especially as to where it was to be located, and he could not give an answer to either one of the questions, he would be considered as a man of doubtful ability as a planner and builder of a house. We occupy just that position to-day.

Mr. Chairman, you can not tell whether we are going to struggle to overcome the law of gravitation by digging each end of this canal to a level with the other end and pouring the water through from one sea to another or whether we are to undertake a system of locks and get rid of obstruction by climbing step by step the almost mountainous pathway that must be traveled.

But we are going to build it. American genius, American enterprise, American push and determination are behind it, and it is going to be built. Some of you gentlemen of the committee may witness the opening of that canal. I venture there will be very few of the present Members of Congress who will not have gone to account for the deeds done here in this body long before that canal shall have been opened, but there may be some. There will be others who shall come after us and inherit the fruits of our patriotic devotion, our enterprise, our pride, our skill. They will inherit them and they will inherit something else, too. They will inherit from two hundred and fifty to five hundred million dollars of national debt on which there will be paid every year 2 per cent, and if nothing else remains of the various stages through which we have traveled, that will indicate to our posterity the tremendous magnitude of this undertaking. There will be that indebtedness, for it will all exist long after the canal has passed into the maritime wonders of the world. The bonds will be drawing interest, working by day and by night, and there will be no mistake about the accuracy of their work, and there will be no mistake about the burden that will be placed upon the people of the United States. And what are they to get back? That is the question that I arose to refer to. What will they get back? However patriotic we may be, however proud we may be of our achievements on sea and land and in civil life, we still have among us the strong traditionary element of the shrewd Yankee, and cui bono will be an interrogation that will be put by our descendants a great many thousands of times when this semiannual interest day comes round; and I am here now to discuss for a few moments this topic. What is the ostensible purpose of building this canal? I mean what is the general impression why this canal is desirable? I do not mean some one man's crochet or "fad," but I mean what is the general understanding of why we are building this canal—what are we doing this for? This is a most tremendous project. Wherefore; why; what about it? Far wiser men than I am claim that it is a project that will be absolutely invaluable to us as a people; that it will be a profitable investment for every dollar of money that it costs, no matter how gigantic the sum may loom up; and I enter upon the discussion of the question with great modesty; that degree of modesty which my friends here will at once recognize as my peculiar and most striking characteristic.

While it may not be proper and wise for me to enter upon this discussion under all the circumstances and considering all that has been said about the project, yet I have a right to. I have a right to consider carefully and cautiously with you and with our fellow-citizens what there is in this project that justifies the expenditure of money by the United States. That France knew what she was doing when she aided the project it does not take a wise man to understand. If Japan should to-day champion this project, I could understand what her purpose would be. But Japan is too wise to champion a project that is going to be a tremendous benefit to her when she can just as well look on and see other people labor in the vineyard and she can enter, as I will show directly, into the reward.

We are building this canal, it is said, for the benefit of commerce, and that must be so if it has any purpose. We will assume at this point, and for the purpose I have in view, that we are building it for the benefit of commerce. What commerce? Whose commerce? Our commerce. We have some commerce. Our foreign trade is increasing at a wonderfully rapid ratio. But how are we to benefit our commerce by digging this canal, and if we are benefiting it, are we doing all we might do to benefit it? No commerce of the United States will be benefited by the project in seeking European markets by the digging of the Panama Canal. Start right there as an indisputable proposition. Eliminate that proposition from your mind if you have it in your mind. You are not going to shorten the distance between New York and Boston and the innumerable workshops of the Atlantic coast and the European markets. The same track over the trackless sea will remain and its distance will neither be lengthened nor shortened. The same markets will offer the same inducements in Europe, and they will offer no more, and, it is to be hoped, no fewer inducements. The cost of freight would presumably be just the same, and our sharp contention in the rivalry of commerce and manufacture and labor in Europe and in the European markets and in the markets controlled by European management outside of Europe will remain unaffected. Then what? What are we digging this canal for? Why, we are digging it to bring the Atlantic coast and the interior production of the United States into greater proximity to the oriental and Asiatic and African markets. We want to reach out and cultivate new fields of commercial operation in China, Japan, the Philippine Islands, Borneo, India; and so we will spend from three to five hundred million dollars, will we, to promote that intercourse and promote that profitable trade and bring us into greater access? Do we secure any greater facility of access for the whole United States? The Pacific coast will not be benefited. The Pacific coast is on that side of the continent and has a straight run to the Orient, several different runs. She has a straight line of water from Seattle, the great thriving port of the Northwest, a wonderful city, just in its swaddling clothes, just emerging, as it were, from its infancy and beginning to shake off the trammels of youth and emerging into the mighty fields of operations open to the giants of trade and commerce. They are not to be benefited. Neither will San Francisco be benefited, nor yet Portland. Quite the reverse, Mr. Chairman, but they must submit. I do not put this forward as any suggestion. We would not hesitate one moment in the building of the canal because it is going to bring about a rivalry that might be injurious to the northwest Pacific coast. That is not the important question. Located where they are, with all the natural advantages they have, they must also bear the burdens of competition. But will they have any competition? That is the real question now. We have not shortened their line of communication by one inch. The architect of the universe laid out their way of travel to the coming markets of the oriental world. I confess that if the Panama Canal were constructed to-day and open and running, it might facilitate the entrance of the New England and North Atlantic coast trade into the oriental markets because of the virgin character of that magnificent field; but what will have been accomplished

ten or twenty years hence, which is in the one case a low guess and in the other a probable estimate of the time to be consumed in the building of the Panama Canal? That is the matter to be considered. Now is the time; now the day of salvation.

Now is the time when we ought to be seeking to promote our interests in the oriental trade. Trade once secured and fastened upon will stay, and the trouble is that the staying quality cuts both ways. The stay will be just as great to the foreigner who gets the traffic as it would be to us if we had gotten the traffic. So the plain duty that lay before us was to have made use of the facilities and instrumentalities which we now have, or which we could have had within a year or a year and a half, and gone into the markets of the Orient with our trade borne under our flag and fastened upon those markets, and then if we saw fit to go on with this tremendous expenditure of money in order to more surely absorb the traffic, that would have been another question. Then, who is to be benefited by this canal? There never was a time in the history of mankind when there was such sharp rivalry for commercial advantage. The genius of mankind has been brought into operation to devise means to overcome competition and to establish advantage to the seeker. In our commercial life in America the greatest instrumentality of trade is the commercial traveler. All the old arts and efforts have long ago been abandoned, and the commercial traveler, the man with the grip in his hand and his samples in the grip, with the ready smile on his face and his hearty salutation—he is the man who is the great factor in American trade, and he is the great factor in all that relates to American life. He is the best politician in the country. If I want to prepare a set of estimates as to how a State is going, or a Congressional district, give me access to the commercial travelers and I will shortly tell you all about it, and their information will never be faulty. If you want to know the condition of the crops in a certain section of the country, ask the commercial travelers. They will tell you, and they never make a mistake. If you want to know who is the popular candidate for President, ask the commercial travelers, and their information is as accurate as the rising and setting of the sun. They are a power in the United States, and they are a power all over the world. Travel on an ocean liner, travel through the great marts of Europe, stop at the great hotels of Europe, go up the Rhine, travel through the Alps down into Italy, go to Spain, Norway, Sweden, and Russia, and the American commercial traveler is there, but he is in hot competition with the native commercial traveler, and he contends with the nearness of the manufacture to the place of demand.

What is all this about? If we propose to compete successfully in the markets of the Orient, we must go there and be there, and our goods must go there and be there. How are they to go? "Oh," you say, "ship them from New York; ship them through the canal and send them over there." Yes; send them over there under a foreign flag, in a foreign ship, in the hands of a foreign commercial traveler, practically. It has been well said that a merchant ship is a commercial traveler seeking the markets of the world. Nothing better or more illustrative was ever said. They seek the markets of the world. They carry the flag of the manufacturers, and there is not a man who has had knowledge of our attempts at oriental trade who does not admit, without qualification, that the centralization of business at Hongkong and at Singapore and at other points under the British flag, and the distribution out from there under the auspices of the British agents has been most potential in the occupation of the markets of the oriental world.

We have got to have ships, and those ships must be our agents of commerce; and we have no ships. An expenditure of 1 per cent on $300,000,000 strung out over a period of ten years will furnish all the money that has been asked for by the American shipbuilding and ship-using interests of the United States to comply with their estimate that it would put the American flag into every port of the Orient and South America and bear into those markets the products of American industry and American genius, but we are forbidden to even ask the people of the United States to ratify our proposition. It has been a most useful proposition. It has furnished the themes of eloquent orations; it has furnished topics for Presidential messages; it has furnished the bases for oratorical and patriotic addresses on the stump and on the Fourth of July. It is beautiful in its design and eloquent in the development that politicians have made of it, but it is forbidden to even be considered by the representatives of the American people, and so we are going blindly forward building a channel for our commercial enemies to head off and destroy our efforts. Build the canal. Japan has to-day a larger merchant marine than we have and is making arrangements to double it, and she will double it. Japan has turned into active construction yards for her merchant marine most of the navy-yards, with their warlike proportions. Japan is buying every ship that is for sale in the world that she can get at fair prices, and we are cheapening our ships by refusing assistance. Japan is in the market, and when this Congress meets again, in my judgment, Japan will have made the contracts by which she will acquire all the ocean lines of any importance owned by Americans and plying between the Pacific coast ports and the oriental countries, and when you have constructed the Panama Canal you will have opened a pathway to this commercial navy, and British ships and German ships and even Italian and Norwegian ships will crowd through the passageway, for the construction of which you have laid this mighty and perpetual mortgage upon the industries of the people of the United States and strangled us in the markets that legitimately belonged to us, markets which we might have reached and which we could have reached and which we would have reached with a little intelligent statesmanship—not the statesmanship of the cornfield alone, but the statesmanship of the man who, standing on any foot of American soil, whether it be on the seacoast of Maine looking out upon the stormy waves of the north Atlantic or standing at the Cliff House in San Francisco and looking upon the smoother waters of the Pacific, or whether he stands in the great industrial and farming sections of the Middle West, with the teeming cornfields around him and the teeming wheat fields waving their wealth of production in the morning breeze, a statesman capable of grasping all this, appreciating all this, applying the logic and force and argument of all this to current questions—that is the statesmanship that we need to-day; not the man who stands in the little half bushel of his own surroundings and, looking upward, fails to observe the glories of the mighty combination of greatness that the American people are producing.

"Would you build it," says some one, "or would you abandon it?" Why ask such a question? We are in it, and the American people never back out. We are going ahead to try to build it. France did the same. She entered upon it with just as much energy as we are entering, and she spent two or three hundred million dollars and quit. We will spend two or three hundred million dollars and will be "just beginning to fight." We are an indomitable people, and we are not going to surrender even though we discover that we have blundered. So, if you ask me, "Would you build it?" I would say "Yes, under the circumstances, I would; but I doubt whether, if we were not entangled in the meshes of our own action, I would have built it originally."

Mr. Andrew Carnegie, who is not interested in transcontinental railroads and whom I deem one of the wisest men that ever lived in this country in all that pertains to business and development, trade and commerce—that is my estimate of him—with a pencil and pad once showed me an exposition of figures and estimates and suggestions that made a profound impression upon my mind. I will give only the result of his suggestions. He said that, having acquired the title to the Panama Railroad, we could build a four-track railroad—six tracks, eight tracks, if we wanted to—of the highest grade of steel and of the very highest development of railroad construction, and could arrange in the two harbors of Panama and Colon a systematic and modern scheme of discharging and loading cargoes, and could take out of the ship on the Colon side the cargo, load it into cars on the railroad, speed it across the brief distance to Panama, discharge it into the ship, and send it on its way for an immaterial fraction of the interest on the cost of this canal, and that the project would result in the speeding of the cargo very much quicker than the slow and tortuous passage of the canal, and would result in avoiding the obstacles, the delays, the hindrances of overflows, the caving of banks, the filling up of silt, the breaking of embankments, and all the thousand and one obstacles that are sure to crowd themselves upon the operation of the canal. I can not verify these statements and these figures and these estimates, but they made a profound impression upon me because of the lucid statement that was made and because of my profound admiration for the man and the great esteem in which I hold his wisdom.

The foregoing suggestions have been made not with a view to criticising the attitude of the Administration or of Congress or of the country in the matter of the building of the Panama Canal, but to again call attention to the great need of doing something for the upbuilding of our merchant marine. It is a crime that all the great interests of the country, excepting the interests on the ocean, should be lavishly provided for by lavish and extravagant appropriations of money by the Government while this, an interest vital to the future prosperity of the nation, is allowed to suffer and die. That there will be a pop-

ular uprising some day in favor of this great interest, I predict; that ordinary justice, fairness, and equity demands action now; that delay will be fatal to the best interests involved; that the true spirit of Americanism, which so proudly defies competition, except on the ocean, should not shrink cowardly from contact in the field of competition with all the nations of the world, and, more particularly, that we should be overmatched by nations such as Italy and Norway.

The Lake System for the Panama Canal.

"The lock-level system is more properly the lake system. Panama became the best route only when a plan was perfected which will transform the torrential valley of the Chagres into a quiet inland sea."

SPEECH

OF

HON. R. WAYNE PARKER,

OF NEW JERSEY,

IN THE HOUSE OF REPRESENTATIVES,

Friday, June 15, 1906.

The House having under consideration the sundry civil appropriation bill, and Mr. LITTAUER having moved to amend the appropriation for the continuance of the construction of the Panama Canal by providing that no part of the money so appropriated shall be used for the construction of a canal of the so-called "sea-level type," Mr. PARKER, under leave of the House, in extension of his remarks in the RECORD, submits the following:

Mr. PARKER said:

Mr. CHAIRMAN: The plan for the construction of a lake on the Isthmus of Panama, to be created by a dam and approached by locks, is what makes a canal possible at Panama which shall be available for the largest vessels and constructed at reasonable cost and within reasonable time. Before the development of that plan the best engineers of the world regarded a canal at Panama as impossible. The sea-level plan, then the only plan considered, contemplated a canal dug in the bed of the Chagres River, between hills, a ditch or cut which would be necessarily winding and narrow and would receive all the flow of that river and its tributary streams. Their mighty floods, together with the tremendous rainfall of the watershed, must pass through the cut. Engineering can only attempt to moderate and equalize that flow. The canal would be constantly affected by the wash of the slopes and the flow of the rivers, while the navigation of that narrow, winding ditch would be so impeded by currents and cross currents of the entering streams and endangered by rock bottom that its use by vessels of the largest size would be almost impracticable.

Under these circumstances engineers then turned to Nicaragua as the better route, in spite of the seeming impossibility of creating a harbor in the shifting sands of the Caribbean Sea at the mouth of the San Juan River, the difficulty of building a canal of any size on the steep winding banks of that river, the still further problem of damming the river in a narrow gorge, where its waters must flow over the top of the dam, and the dangers which attend any engineering works in a region filled with active volcanoes and constantly shaken by destructive earthquakes.

With the formulation afterwards of the lake and lock plan for a canal on the Isthmus of Panama all the principal difficulties vanished and Panama became beyond doubt the route to be approved. That lake will afford a wide, deep channel and safe navigation through more than half the length of the canal, and the digging to be done is diminished by half.

The lake will receive and control the floods of the Chagres and its tributary streams, which will have no appreciable effect upon the 110 square miles of lake area. Navigation will be in still water and safe. The dam is at the end of the hills and at the beginning of low country, so that the entire overflow at the dam will be carried thence to the sea through a different channel from that followed by the canal.

The value of such a lake is illustrated on a gigantic scale by nature, which has put a dam at Niagara. Below that dam the waters of the Niagara River rage and roar in a cut where engineering, digging, or leveling would be absolutely impossible. Above that dam lies the placid surface of Lake Erie. The water of the river flows through that lake to Niagara, but the flow is imperceptible and navigation safe. If there were no rock dam at Niagara a like rushing torrent would exist in a deep cut created by its flow in what is now the bed of Lake Erie, and the only way to make that channel navigable would be to build artificially such a dam as nature has provided.

The same considerations which make a lake essential to navigation, even in the great and constant flow of the St. Lawrence and Niagara rivers, makes such a system the only practicable plan at Panama, where the flow is inconstant and torrential.

An appendix to these remarks contains a careful comparison of the engineering difficulties of the two plans, and of the availability of the navigation of the two canals when completed, together with their capacity for traffic, taken from a letter which was sent me by an engineer and contractor who has had experience in the Tropics, in the department of docks of our largest city, and in building the great granite piers of the new Brooklyn Bridge.

This paper states the engineering problem in compact form, and I shall only add a mere memorandum of the points to be drawn from the voluminous literature upon this subject.

The lake-and-lock system will take ten years less time to build.

It will cost at least $100,000,000 less.

It avoids all difficulties in the wash of slopes for 23 miles.

It avoids all danger from the Chagres and its tributaries.

It relieves the canal therefrom, not only in its construction, but for maintenance.

It saves digging 50,000,000 yards of earth or rock in the Culebra cut, and avoids the problem of finding a place to dump this extra earth.

Ground water will not be an obstacle in the lake system, for the water will run away from the rock diggings instead of having to be pumped out. In the sea-level plan the flow of the Chagres must be dammed or cribbed off from the rock diggings during construction at vast and unknown expense.

One dam only will have to be maintained instead of four. Under the sea-level system an enormous retaining dam must be placed on the upper part of the Chagres and others on the tributary streams in order to regulate and equalize their flow into the canal.

The constant regulation of the flow at these dams will be avoided in the lake system, for the overflow at the one dam at Gatun will take care of itself, and there will be no danger of destruction of the canal by failure to retain and regulate the upper waters of the rivers or by reason of a succession of rains and floods which will be too much for the capacity of the retaining dams.

Navigation will be in still water, in a safe and wide channel, while in the deep, narrow, winding cut of a sea-level canal, with a heavy current flowing through, passage by large steamers would be almost impossible.

The dam at Gatun will be abundantly safe and can be made such a mountain of earth with the spoils of the Culebra cut as neither the water pressure nor even earthquake would disturb.

Concrete locks are an ordinary engineering problem. Our experience at the Soo Canal on the Great Lakes proves their capacity and safety, the Soo having a traffic at least double what may ever be expected on the Isthmus. The expense of maintenance and operation of these locks is not comparable to the interest on the extra cost of the sea-level canal, say at least $2,000,000 a year, without taking into account the expense of managing turn-outs, guiding and protecting great iron vessels in a narrow channel with a rock bottom, regulating flood gates, controlling lakes, and removing obstructions which would be caused by any accident, besides possibly paying damages to vessels injured.

The navigation afforded to this country by the Great Lakes, which transform the rapid shallow waters of the St. Lawrence into inland seas, binding together the Eastern and Western States, is an example given by the Creator of how man should imitate His work. Here, on a lesser scale, he may take a rushing stream and turn its raging torrent into a placid lake, on which the commerce of the world may find an easy and a safe conveyance from ocean to ocean.

APPENDIX.

[Extract from a letter of A. McC. Parker, civil engineer and contractor, dated March 20, 1906.]

THE PROBLEM.

To my mind the problem of uninterrupted traffic across the Isthmus requires for its solution the assurance of the control of the tremendous run-off of the rainfall during the seven months of the wet season. We here have no standard of comparison by which to gauge this, and unless one has spent a season in the tropical countries he can have no conception of what 140 inches of rainfall in seven months means. I have seen a country sloping toward the sea, at the rate of 20 feet to the mile, covered with water up to one's waist. This was running seaward at the rate of 2 or 3 miles per hour, its progress being hindered by the jungle growth to such an extent as to prevent its getting away any faster.

A canal across the Isthmus means a drain through which the rainfall must be carried.

THE WASH ON SLOPES OF A CUT.

The amount of wash on the long slopes of a cut is familiar to us all from our familiarity with railroad cuts, but this wash is caused by a

normal rainfall of 4 inches per month in this latitude, and that rarely of more than a few hours duration, so that rarely does it happen that the whole bank of a cut can get thoroughly saturated and cause slips. Consider now a rainfall of 36 inches per month, continued every day for several months. Everything not absolutely solid will be saturated, the scour of the slopes will be tremendous, and the slips which will inevitably occur will bring down avalanches of saturated material which would fill any ordinary channel a dozen times in an ordinary season.

ONLY THE LAKE SOLVES THE PROBLEM.

The control of this water and its suspended burden admits of but one solution, and that solution to my mind is offered by the minority report. (See p. 66, Report of Board of Consulting Engineers.) This says: The controlling feature of the project will be the earth dam across the Chagres at Gatun, to form a great reservoir or inland lake in which the floods of the Chagres will be received and from which the surplus water will be discharged through sluices and the height of the water in the reservoir regulated. Lake Gatun will be 110 square miles in area and will be part of the summit level of the canal.

This lake will be approximately the size of the lower bay of New York Harbor from Staten Island to Sandy Hook, with its analogy of the Raritan River entering it with its floods. The valley of the Chagres, which will be approximately the channel way, will be from 50 to 85 feet deep. Let the Chagres carry as much wash as it pleases, as soon as it strikes this lake its suspended load will be dropped near the shore of the lake and its water immediately lose its flood character as it spreads into the lake, to be let out 10 miles away through the sluices and regulating works. It would take ages of time for this material to encroach on the deep channel way, and if it ever did it could be very cheaply removed by dredges, as in other places.

CULEBRA CUT AND SLOPES.

Through Culebra cut, 8 miles long, trouble from the wash of the slopes would always be had in plenty. This would be as true of a sea-level as of a high-level canal, and as it enters both problems to the same extent, can have no weight in favor of either or against either. I think some of that can be guarded against by the construction of berme ditches, and some will be hindered by the tropical jungle growth which will lodge on the slopes in a few years.

THE DAM NOT A DANGER.

I can see no danger or difficulty in the building of the earth dam, to impound this water. I should make it one of the dumps and put in 20,000,000 yards of material instead of 10,000,000, as proposed. It is a good dump site handy to the work, and will take care of this amount of waste very advantageously.

LOCKS EASY OF CONSTRUCTION.

The construction of the concrete locks is as familiar to engineers as the building of any simple work, and except for their magnitude they offer no difficulty to any constructor of ordinary ability.

WATER FOR LOCKAGE.

I do not apprehend there will ever be a shortage of water for lock purposes. We are lacking in information as to the evaporation in the region and can only surmise as to the number of inches which would be taken up by this off a surface 110 square miles in area in the dry season. The Chagres never runs dry even then, but the regulating works can be depended on to keep enough water on hand at the end of the wet season to insure sufficient for lockage and evaporation until the return of the rains. Storage reservoirs at Gamboa and further up at Alhazuela would certainly provide an ample supply in case the season should be exceptional in its severity of drought. Another thing to be considered is that the number of lockages will not be very great per day.

TRAFFIC CAPACITY OF LOCKS.

With the average burden of 3,000 tons per vessel, 20 lockages per day would give a traffic of 21,000,000 tons per annum, or twice the traffic passing Suez in the year 1904. As a 5,000-ton ship will use up less water in a lock than a 3,000-ton ship, it follows that as the traffic increases (the ships increasing in size with the demands of the traffic), less water will be required to lock the traffic through, and it may well be predicted that in twenty years 20 lockages per day would pass 30,000,000 tons, or two-thirds the traffic of the Sault Ste. Marie Canal in 1905, a traffic almost incredible as being available for the canal at the Isthmus. Twenty lockages a day out of New York Bay would amount to nothing as far as the water supply is concerned, and at the driest season the Chagrse would supply this, so that the regulating works would have to provide for sufficient water to take care of the evaporation only. Twenty lockages would be only a pastime to a modern lock in one day. The Poe lock has passed 36 lockages in a day without trouble, and with modern electric control of the gates as in the Canadian Soo Canal, this could be increased 50 per cent without trouble.

EASE OF NAVIGATION.

For facility of handling the still-water lock canal with the broad lakes at each end would be incomparably superior to the narrow sea-level canal with currents even as low as 2 miles per hour. To anyone who has stood in the bow of a steamer and watched the action of the water in a narrow canal this matter needs no explanation. Steering a vessel under such conditions becomes exceedingly hard, and then control is so uncertain that it is necessary for vessels passing to secure one at moorings in order to prevent collisions, and this restricts the traffic very disadvantageously.

EXCAVATION SAVED.

A high-level canal reduces by 50,000,000 yards the material to be removed at Culebra, and this enormous quantity will be saved from being moved after every available spot within 20 miles of the cut has been used as dump room and can take no more waste any nearer to the work than that, so that this last 50,000,000 yards would cost at least twice as much to excavate and dispose of as the first 50,000,000.

GROUND WATER.

Another thing the sea-level canal would have to contend with during construction would be the ground water, which would have to be pumped out of the main cut during construction for the last 45 feet in depth. I do not believe the sea-level men have made any sensible allowance for the cost of this part of the work or given it proper consideration as an engineering difficulty of the first magnitude. To pump the ground water alone from a hole 30 miles long, 200 feet wide, and 45 feet deep over a period of not less than five years would appall any contractor of pumping machinery, even in our dry latitudes. But let this hole be in a tropical country with 140 inches of rainfall in addition and see what you have to consider. In my work this question in every contract is a very serious one and I find, by years of experience, that the gathering together and removing the ground water is one of the greatest sources of expense to us in our work. It is a constant source of expense and annoyance, and the slightest hitch in its regular working adds to the cost of the work by the stopping of the other operations by the water. I have been unable to discover that this construction problem has been adequately considered by the sea-level men, and I believe it has altogether escaped their attention.

This ground water is that to be encountered in the rock sections of the work, where the floating dredges could no longer dig the canal and where the excavation would have to be made in the open and the work unwatered. It would take a force of 5,000 men alone to take care of the pumps necessary to handle this water, while the endless miles of piping required to carry it off would be so much in the way of the other operations as almost to block the outlets for construction trains. If for no other reason than this, I should carefully study the lock-canal question, for constructively it is one which would eat up money to an extent which would alone condemn the sea-level proposition.

CONCLUSION.

I have been engaged in construction in the Tropics and know from experience what the difficulties are in comparison with those in our latitude, and while it is not impossible to build a canal at sea level, I believe a sensible solution of the problem would be the construction of the lock canal at high level—85 feet or even 95 feet—for this can be built in a reasonable time, at reasonable cost, and will handle economically and easily all the traffic ever likely to offer.

Rural Free Delivery in the United States.

SPEECH

OF

HON. ABRAHAM L. BRICK,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, June 23, 1906,

On the bill (H. R. 16953) making appropriations for the service of the Post-Office Department for the fiscal year ending June 30, 1907, and for other purposes.

Mr. BRICK said:

Mr. SPEAKER: I think the country ought to know just what rural free delivery means to the farmer and the country and how it happened. Some years ago Hon. GEORGE W. NORRIS, of Nebraska, made a most admirable analysis of this important event in a speech I heard with pleasure and profit. I can hardly add to his exhaustive exposition of the subject except to supply what the ensuing years have brought forth. And with his consent I will use for this purpose such portions of his speech as are available, and no credit shall be given me for his genius and labor.

The demand for better postal facilities is one of the indications of the high state of intelligence and civilization of the present age.

It is within the memory of those who still live that at one time it cost 25 cents for the transmittal of one letter a distance of 400 miles. In our own land of cheap postage the time was when the farmer's wife was compelled to part with a week's saving of butter and eggs in order to send a letter to her home in the East or to her adventurous boy in the West. In those days the postmaster at the crossroads grocery store frequently received more than a bushel of wheat for the necessary postage on one ordinary letter.

From this almost chaotic state we have steadily and gradually advanced until the present high state of efficiency of our postal facilities is not only desirable, but is absolutely necessary for our prosperity, comfort, and happiness.

The delivery of mail outside of the regular post-offices was first undertaken, and quite naturally so, I think, in the cities, and yet it must be admitted and can be readily seen that the people accommodated were not so much in need of and could not receive as much benefit from free delivery as the people in the remote country districts.

It is a matter of comparatively small consequence for a resident of a city or town to be saved a walk of a few blocks to the post-office for the purpose of getting his mail. In the case of the farmer, however, who lives six or eight miles in the country, and who would have to drive that distance over country roads to get his mail, it is not only a great accommodation, but a great saving of time and money to have his mail delivered at his front gate.

In the case of the city delivery the patron does not receive his mail on an average as soon as though he himself went to the post-office and made personal inquiry. The resident of the free-delivery districts in cities and towns will therefore dispatch and receive few, if any, more letters on account of the delivery of mail at his residence. The additional expense, therefore, caused by free city delivery is not compensated by any additional revenue in postal receipts. On the other hand, the delivery of mail in the rural districts causes a vast amount of increase in postal revenue.

The farmer in such cases receives his mail sooner and answers it more promptly. He receives more mail and writes more letters. The installation of this service not only adds to the business, the happiness, and the comfort of the farmer, but it vastly increases the revenue of the Post-Office Department. From careful comparisons that have been made at different times, it is shown that the increase of business caused by the establishment of rural free delivery has been from 25 to 50 per cent. This increase has not been spasmodic or temporary, but seems to be permanent and increasing from year to year; and those best posted on the subject and who have made careful study of the system are of the opinion that the time will come at no distant day when it will be self-sustaining.

I would not take away or curtail the establishment of free delivery in cities and towns, but on the other hand would increase such service wherever it can be economically done, and yet it seems to me that when we take into consideration the benefits to be derived from the service and the increase of revenue to be added to the receipts it must be con-

ceded that in the extension of the free-delivery service the farmer and the resident in the rural district is entitled to the first and highest consideration.

The free delivery of mail to the rural population in the United States is of comparatively recent origin, and yet it has been experimented with and installed in Great Britain and other European countries for quite a number of years. A comparison, however, between our efforts in this direction and the experiments made by foreign nations is of but little value, for the reason that the rural population of our country are better educated and of a higher moral and social nature than the farmers of foreign lands, and a failure of the system in any other country is no reason why it will not be successful here.

The inauguration of rural free delivery in the United States was beset with many difficulties.

The first seed was sown when Hon. Mr. BINGHAM, the Republican Congressman of Pennsylvania, introduced a resolution in the Fifty-first Congress—a Republican Congress. This resolution, which called for an appropriation of $10,000 for experimental rural free delivery, passed the House and Senate and became a law. The experiment was a success, as is shown by the report of the Republican Postmaster-General. But in its infancy it was pounced upon by the Democratic party, a party that has an unbroken history of never missing an opportunity to try to throttle the life of every infant industry that may be so unfortunate as to meet it upon the great highway of progress. In making appropriations for the Post-Office Department for the fiscal year ending June 30, 1894, the sum of $10,000 was appropriated for the purpose of making a further experiment in the rural free delivery of mail.

This money was available from and after the 1st day of July, 1893. The country was at that time under a Democratic Administration. The Post-Office Department, headed by the Democratic Postmaster-General, was not only opposed to rural free delivery, but it refused and neglected to make any experiments or to institute any rural free-delivery routes. As an excuse for this failure and neglect to obey the mandates of the law the Assistant Postmaster-General, in his report transmitted to Congress in December, 1893, expressed strong views against rural free delivery on the plea of pressure of "more important questions."

The Postmaster-General of this same Democratic Administration approved this view, and in his report to this same Congress spoke of rural free delivery as follows:

"Although it was provided by Congress in the appropriation bill for the fiscal year ending June 30, 1894, that $10,000 should be devoted, at the discretion of the Postmaster-General, to testing the feasibility of establishing a system of free delivery in rural districts, it has been found impossible, by reason of the pressure of more important questions, for the officers having that subject in charge to give the subject the study and consideration that it demands, much less to establish such rural free delivery. It was soon discovered, furthermore, that the appropriation for this experiment is not at all sufficient for thorough and reliable tests, for, in order to give the rural free-delivery system a fair and thorough trial, tests would have to be made in many localities, differing, necessarily, in density of population, topography, class of interests, and condition of highways and thoroughfares. To inaugurate a system of rural free delivery, it would require an appropriation of at least $20,000,000.

"I therefore adopt the opinion of the First Assistant Postmaster-General that the Department would not be warranted in burdening the people with such a great expense, when it can more properly, adequately, and economically meet the requirements of postal extension by widening its scope along reasonable and conservative lines and by establishing additional post-offices wherever the communities are justified in asking for them."

It will be observed that the Postmaster-General justifies his neglect on two grounds, viz: First, that the Department could not attend to the wants and demands of the farmers of our great country on account of more important business, and, second, that the appropriation was too small. The statement of the first defense is its own sufficient answer.

The reasonable and just demands of 40,000,000 of our people, the very bone and sinew of our Republic, were thus ruthlessly cast aside by a wave of the hand of this great Democratic Postmaster-General on the false ground that he had more important business to attend to. I will show later that the second ground was not only untrue, but that as a matter of fact when the experiment was finally made a few years later by this same Administration, an amount less than $10,000 was used in making it.

Not only was the Administration against rural free delivery, but this Democratic opposition included the other Democratic branches of our National Government. The House of Representatives was also Democratic at that time, and on February 27, 1894, the Committee on the Post-Office and Post-Roads in reporting to the House the annual post-office appropriation bill, used the following language in reference to rural free delivery:

"Although it was provided by Congress in the appropriation bill for the fiscal year ending June 30, 1894, that $10,000 should be devoted, at the discretion of the Postmaster-General, to testing the feasibility of establishing a system of free delivery in rural districts, it has been found impossible, by reason of the pressure of more important questions, for the officers having that subject in charge to give the subject the study and consideration that it demands, much less to establish such rural free delivery. It was soon discovered, furthermore, that the appropriation for this experiment is not at all sufficient for thorough and reliable tests; for, in order to give the rural free-delivery system a fair and thorough trial, tests would have to be made in many localities, differing, necessarily, in density of population, topography, class of interests, and condition of highways and thoroughfares. To inaugurate a system of rural free delivery it would require an appropriation of at least $20,000,000.

"The Postmaster-General, therefore, adopts the opinion of the First Assistant Postmaster-General that the Department would not be warranted in burdening the people with such a great expense when it can more properly, adequately, and economically meet the requirements of postal extension by widening its scope along reasonable and conservative lines, and by establishing additional post-offices wherever the communities are justified in asking for them."

The document I have read from is a portion of the report of the Committee on Post-Offices and Post-Roads, made to this House at a time when this House and the committee also were controlled by the Democratic party. It will be observed also, we might note in passing, that the committee in making this report, and also the Post-Office Department in giving their reasons for neglecting and refusing to establish this free delivery, say that it will require an appropriation of $20,000,000 to inaugurate this system of rural free delivery. There is no reason on earth why the Post-Office Department and this committee should make any such reference, especially the Post-Office Department, for the reason that the law at that time was, upon its face, experimental. It was not intended by that appropriation to cover the entire United States; hence the excuse, if excuse it may be called, has no reason upon which it can possibly be based.

But the next year we find this same Democratic Administration opposing the installation of rural free delivery and still refusing to obey the law and use the appropriation, which had in the meantime been increased to $20,000, for the establishment of experimental rural free delivery. The First Assistant Postmaster-General, in his report transmitted to Congress in December, 1894, in defending himself for neglecting his duty, practically defies the law and refuses to obey its mandates.

It will be noted now that this is the second report from the same Assistant Postmaster-General. The first time he gave "pressure of more important questions" as the principal reason for delay. After another year of waiting he now throws off this mask of deception and simply refuses to obey the law because he is opposed to rural free delivery. He says:

"To make such tests would require a much larger appropriation than even that provided by Congress for the current year, namely, $20,000, and in the judgment of this office to expend this amount would be inadvisable. The proposed establishment of rural free delivery would result in an additional cost to the people of about $20,000,000 for the first year; and whatever may be the future of the postal system of this country, I do not believe that the people are yet ready or willing to involve themselves in such a large expenditure for this purpose."

Now, the Postmaster-General himself, submitting his report to Congress at the same time, used language that is almost identical with the language of the Assistant Postmaster-General.

This was transmitted to Congress in December, 1894. The Postmaster-General himself says:

"The proposed plan of rural free delivery, if adopted, would result in an additional cost to the people of about $20,000,000 for the first year; and whatever may be the future of the postal system of this country, I do not believe the people are ready or yet willing to involve themselves in such a large expenditure for this purpose."

After another year of waiting, after another year of neglect, after another year of defiance to the demands of the farmers of this country the Democratic Administration does not even have the courage to cry, "pressure of more important questions."

But let us pass on still another year and give the Democratic party additional opportunity and more time to get right on this great question and to heed the voice of an outraged people. We find, however, the Democracy still defiant, still refusing to obey the law. The First Assistant Postmaster-General says in his report transmitted to Congress in December, 1895:

"The amount appropriated by Congress, $20,000, to test the feasibility of establishing rural free delivery in rural districts was not expended, and therefore there are no results to report. The amount was deemed entirely inadequate to meet the requirements of a satisfactory test. Rural free delivery may be useful after a while in the more densely populated States, but even then the benefits derived under the most favorable conditions would not be proportionate to the immense amount of money required to maintain the service. I know of no reason to change my views on this subject expressed in my reports of 1893 and 1894."

Now, the Postmaster-General, in his report transmitted at the same time, used language as follows—it was transmitted to Congress in December, 1895, and was written perhaps during the month of November. He says:

"But the difficulties in the way of such experiments and the reasons for viewing the whole plan as impracticable are fully set forth in the report of the House committee on the post-office appropriation bill, second session Fifty-third Congress."

After practically three years of idleness, three years of disobedience of the plain mandate of the law, three years of defiance, the great Democratic party says: "The whole plan is impracticable." Democracy regarded the free rural delivery as a dream, a delusion, and a snare. During most of the following year the Democratic officials refused to do anything for rural free delivery, although the Congress had made another appropriation for this purpose, making $40,000 in all.

But in the fall of 1896, when scent of impending Democratic disaster was in the air, when the cry of an indignant people was demanding the overthrow of a defiant Democracy, the recreant officials made a feint at compliance with their duty, and in October, 1896, after waiting over three years, put a few routes into operation, and when Congress convened in December, 1896, the Department was not ready to make a report on the results. On the 1st day of November of that year the First Assistant Postmaster-General, in his official report, said: "The experiment is now being conducted at half a dozen points." None of these, as I have shown, was put in before October of that year.

I was speaking, I believe, of the waiting of the Democratic officials—the waiting operation that had been taking place for three years or more; in fact, nearly four years. I believe I stated that after waiting for that time they put a few routes in operation, and when Congress convened in December, 1896, the Department was not yet ready to make a report on the result. On the 1st day of November in that year the Assistant Postmaster-General in his official report said—and I quote his exact language:

"The experiment is now being conducted at a half dozen different points."

None of these, as I have shown, were put in before October.

On November 20, 1896, the Postmaster-General in his report said he would later report for the information of Congress the result of experiments then in operation, and on March 1, 1897, after the Republican victory of November, 1896, and just before the inauguration of William McKinley as President of the United States, the Democratic Postmaster-General, as one of his last official acts, made the promised report. It should be observed that during practically all of the four years of Democratic Administration the duty had devolved upon the Democratic officials to make this test.

Congress had every year made an appropriation for this purpose. They had delayed and procrastinated; they had disregarded their duty and defied the law; they had been false to their trust and had neglected the interests, the comfort, and the happiness of the millions of our rural population until by the righteous verdict of the American people the Democratic party was practically swept from off the earth. One of the peculiar features of this report was that on its face it showed that the Democratic claim that the amount appropriated was

insufficient to make the test was absolutely untrue. The amount used in making the test for the time reported was $3,427.23.

Taking it for granted that money was expended for the service for a time not included in the test, and counting the cost of such excess of time at the same proportion and at the same rate as that included in the test, the amount would still be far below the original appropriation of $10,000 made four years before, and, as a matter of fact, the Department had at the time at its disposal the subsequent appropriations, amounting in the aggregate to $40,000.

You will mark the situation. They had been instructed to make a test, and had four years and all the money with which to make it, and then did absolutely nothing except to make a lukewarm pretension which they did not mean and which amounted to nothing practical just three months before they went out of office.

It is only now, after the Republican party has inaugurated it, sat up with it, earned the money to pay for it, that Democracy tries to scrape up an acquaintance with it.

Now, in this report, made by the Postmaster-General, wherein he gives the account of these tests, as well as in all other reports made by Democratic officials, there is not one sentence and not one word in favor of rural free delivery, no word for its encouragement, no hope for its life. From Democratic officials there never has been a recommendation in its favor, but, on the other hand, every recommendation has been against it, every effort was to discourage it, every move was to delay it, and every attempt was to kill it.

But now, Mr. Chairman, we come to a time when the Democratic party, as far as rural free delivery is concerned, passes into a state of "innocuous desuetude."

On the 4th of March, 1897, the Republican party took charge of the national branches of our Government, and rural free delivery was given a new lease of life. It had passed through the Democratic purgatory of neglect and abuse, and in a weak, struggling condition it became the ward of the McKinley Administration. It was now about to be touched with the magic wand of Republican encouragement and enthusiasm, and to become a bright and a living reality at the fireside of a million humble homes. From that time on rural free delivery has been given encouragement by every official connected with it in any way.

It has been given respectful consideration, friendly encouragement, and favorable recommendation in every annual report of the Post-Office Department since the Republican party took charge in 1897. Nowhere in any report of any Republican official is there any word of condemnation or discouragement. The officials devoted themselves to the expansion and the upbuilding of the service, and at no time did they neglect it or refuse to perform their duty by reason of "the pressure of more important questions," as their Democratic predecessors admittedly did.

I should like to read at length from some of the reports of the Republican officials, showing the favorable consideration given to rural free delivery since the beginning of the McKinley Administration, but as my time is limited I shall read only a few extracts. First, I desire to call attention to a report from the Committee on the Post-Office and Post-Roads, made to this House in the Fifty-fourth Congress. It must be remembered that at that time the House of Representatives was Republican, and this committee necessarily Republican. This committee, in speaking of rural free delivery, said:

"While the demand for rural free delivery comes from the people in the main, it has been made the subject-matter of discussion by the Post-Office Department from time to time, and it is agreed by those who have investigated the subject that there is no good reason why such accommodations should be withheld."

The first Postmaster-General under the McKinley Administration in his first annual report, in speaking of rural free delivery, used the following language:

"It would be difficult to point to any like expenditure of public money which has been more generously appreciated by the people, or which has conferred greater benefits in proportion to the amount expended. In every instance the introduction of the service has resulted in an increase of the amount of mail matter handled. There is no doubt of the desire wherever the system has been tried that it should be made permanent. There is equally no doubt in my mind that, as stated in the report of the Committee on the Post-Office and Post-Roads to the Fifty-fourth Congress, the continuance of the rural free delivery will 'elevate the standard of intelligence and promote the welfare of the people.'"

This Congress that he refers to is the Fifty-fourth Congress, a Republican Congress, from the report of whose Committee on the Post-Office and Post-Roads the Postmaster-General makes that quotation. He says further:

"It has unquestionably proved itself a potent factor in the attainment of what should be one of the chief aims of our Government, the granting of the best possible postal facilities to the farmer and his family."

In 1899 the Postmaster-General under the McKinley Administration spoke in the highest terms of the service, and expressed the opinion that its general adoption would be desirable.

This Postmaster-General used the following language, and it is Postmaster-General Smith, of the McKinley Administration:

"The benefits accruing from the extension of postal facilities to the rural communities may be summarized as follows:

"Increased postal receipts, making many of the new deliveries almost immediately self-supporting. In Great Britain, where an extension of rural free delivery on a broader scale has been in progress since 1897, the number of additional letters mailed because of additional facilities afforded is estimated at 50,000,000 for the present year.

"Enhancement of the value of farm lands reached by this service and better prices obtained for farm products through more direct communication with the markets and prompter information of their state.

"Improved means of travel, some hundreds of miles of country roads, especially in the Western States, having been graded specifically in order to obtain rural free delivery.

"Higher educational influences, broader circulation of the means of public intelligence, and closer daily contact with the great world of activity extended to the homes of heretofore isolated rural communities."

In 1900 the Postmaster-General under this same Administration spoke of rural free delivery as follows:

"The extraordinary extension of rural free delivery during the past two years has proved to be the most salient, significant, and far-reaching feature of postal development in recent times."

* * * * * * *

"Free delivery in rural communities has been regarded as too costly and burdensome to be admissible. On these grounds the movement encountered great opposition when first proposed, and even when Congress authorized the experiment there was reluctance in trying it. It took time and experience to develop and enforce the more just view, first, that the great body of people who live outside cities and towns are entitled to share in advanced mail facilities even if the cost exceeds the returns; and second, that the barrier of unbalanced expense is not as formidable as was apprehended."

* * * * * * *

"With all these results clearly indicated by the experiment as thus far tried, rural free delivery is plainly here to stay."

In 1901 the Postmaster-General estimated that in four years the service would be extended to the entire country, and recommended such extension.

In speaking of the service he said:

"The policy of rural free delivery is no longer a subject of serious dispute. It has unmistakably vindicated itself by its fruits."

In 1902 the Postmaster-General spoke of rural free delivery as follows:

"Rural-delivery service has become an established fact. It is no longer in the experimental stage, and undoubtedly Congress will continue to increase the appropriation for this service until all the people of the country are reached where it is thickly enough settled to warrant it.

* * * * * * *

"Five years of experience in this service, added to several months' experience under permanent organization controlled by the civil-service regulations governing other branches of the postal service, have demonstrated that all the claims heretofore advanced in advocacy of the extension of rural free delivery and its adoption as a permanent feature of postal administration have been sustained."

In 1900 rural free delivery received the sanction and approval of President McKinley. In December of that year, in his message to Congress, in speaking of the postal service, he used language as follows:

"Its most striking new development is the extension of rural free delivery. * * * This service ameliorates the isolation of farm life, conduces to good roads, and quickens and extends the dissemination of general information."

"Experience thus far has tended to allay the apprehension that it would be so expensive as to forbid its general adoption or make it a serious burden. Its actual application has shown that it increases postal receipts and can be accompanied by reduction in other branches of the service, so that the augmented revenues and accomplished savings together materially reduce the net cost."

In his first message to Congress President Roosevelt said:

"Among recent postal advances the success of rural free delivery wherever established has been so marked and actual experience has made its benefits so plain that the demand for its extension is general and urgent. It is just that the great agricultural population should share in the improvement of this service."

Again, in his last annual message, the President says:

"The rural free-delivery service has been steadily extended. The attention of the Congress is asked to the question of the compensation of the letter carriers and clerks engaged in the postal service, especially on the new rural free-delivery routes. More routes have been installed since the 1st of July last than in any like period in the Department's history. While a due regard to economy must be kept in mind in the establishment of new routes, yet the extension of the rural free-delivery system must be continued for reasons of sound public policy. No governmental movement of recent years has resulted in greater immediate benefit to the people of the country districts.

"Rural free delivery, taken in connection with the telephone, the bicycle, and the trolley, accomplishes much toward lessening the isolation of farm life and making it brighter and more attractive. In the immediate past the lack of just such facilities as these has driven many of the more active and restless young men and women from the farms to the cities, for they rebelled at loneliness and lack of mental companionship. It is unhealthy and undesirable for the cities to grow at the expense of the country; and rural free delivery is not only a good thing in itself, but is good because it is one of the causes which check this unwholesome tendency toward the urban concentration of our population at the expense of the country districts."

It will thus be seen that the rural free-delivery service owes its existence, its advancement, and its present high state of efficiency to the Republican party, and that the comfort and happiness which it carries to the homes of millions of our people is due to the watchful care of the Republican party and in spite of the fact that the Democratic party tried to throttle it and crush the life out of it in its infancy.

The rural free-delivery service in this country has grown to mammoth proportions. During the fiscal year ending June 30, 1903, 8,339 routes were inspected, of which number 1,714 were rejected and 6,653 established. This made a total number of routes in operation on June 30, 1903, of 15,119. On that date there were 11,700 petitions for routes awaiting inspection. Since that time the work of inspection has been rapidly going on, and on March 1, 1904, over 22,000 routes were in actual operation. During the last fiscal year this department has delivered 309,428,128 pieces of mail and collected 48,954,390 pieces. Stamps have been canceled amounting in value to nearly a million dollars, while the beneficial results accomplished have exceeded the most sanguine expectations; yet the highest point of the usefulness of the service has not been reached.

It will be extended until every country home in all reasonably well settled communities is supplied with daily mail. It will be continually improved. New ideas, making more efficient and economical service, will be adopted as experience shall develop them. In addition to all this, the service will become self-sustaining. Experience has already shown that there is constant improvement in this respect, and in some localities where the service is the most perfect many routes are now bringing in more revenue than they cost, when the saving from the discontinuance of small post-offices and star routes is taken into consideration.

The farmers of our country are entitled to this service, not as a charity, not as a favor, but as a matter of justice and of right. The farm families of the United States represent 50,000,000 of our people, occupying more than 6,000,000 homes, and representing more in value than the combined wealth of all other industries.

It is at the rural fireside that virtue, morality, and patriotism have reached their highest state.

From the farm the criminal class gets but very few of its recruits, and in the country home disloyalty and anarchy have found no abiding place. It has been the patriotism of the rural population that has given us stability in times of peace, and it has been the arm, strengthened and steadied by country life, that has given us courage in days of trouble and brought victory to our flag in times of war.

The trials, hardships, vicissitudes, and inconveniences of farm life, in the light of present advancement, are fast fading away. Already the world is beginning to see that the highest and truest type of contentment and human happiness can be found in the country home. The educational advantages of rural free delivery, together with the other inventions of our enlightened age, will carry into every such home all the comforts of our day, all the blessings of peace, and at that fireside and around that hearthstone will be taught the lessons of love and virtue, of patriotism and loyalty.

The time has come when the farmer is appreciated; and it is under Republicanism that he has been appreciated, not under Democracy.

I do not believe the farmer has any desire to return to any other kind of an Administration. In the grand aggregate of farms of all classes the increased value of the last few years amounts to the enormous sum of $6,133,000,000. Every sunset during the past five years has registered an increase of $3,400,000 in the value of the farms of this country.

You know all about rural free delivery. The Republican party gave this to you without the aid or encouragement of any other political organization. With the appropriation at this session of Congress we have expended $100,000,000 to give 3,000,000 families this greatest boon of modern convenience, accommodating at least 15,000,000 persons with mail at the farmhouse door. And it has come to stay. We have the money in the Treasury to pay for it. The farmer is now reaping some of the reward so justly earned in the burdens he has borne.

Inspection of Meat.

SPEECH

OF

HON. E. STEVENS HENRY,

OF CONNECTICUT,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, June 19, 1906.

The House having under consideration the clause in the agricultural appropriation bill relating to the inspection of meat—

Mr. HENRY of Connecticut said:

Mr. SPEAKER: I have assented to the report made this morning by the Committee on Agriculture and now under consideration, because I believe it is substantially a compliance with President Roosevelt's recommendations for legislation to correct the deplorable conditions found to exist in the slaughter and packing houses of Chicago, as well as a fair adjustment of differences between conflicting interests, which, if enacted, will hopefully tend to restore public confidence in the products of a great industry at present discredited by the careless and unsanitary methods permitted by a reckless and negligent management.

In this connection I wish to say that I have repeatedly and earnestly protested against the procrastinating policy pursued by the majority of the committee, of which I am a member, in unduly delaying legislation urgently demanded by the President and the country providing for a compulsory inspection of meat products.

The Senate passed the agricultural appropriation bill, with the Beveridge amendment attached as a rider, on May 25. Upon the same day, in the absence of Chairman WADSWORTH, I appealed to Mr. WILLIAMS, the leader of the minority, to permit the bill to go to conference by unanimous consent, but because of the peculiar conditions then existing in the House this request was courteously refused.

Consequently, under the rules of the House, the bill was again referred to the Committee on Agriculture. Indulging the hope that the differences between the Senate and the House might be quickly and quietly adjusted, I then urged the committee to immediately report the bill back to the House with the usual recommendation that the House disagree to all of the Senate amendments and ask for a conference, but the chairman of the committee objected to what he contended was hasty action, and preferred to allow the managers of the beef trust opportunity to intervene and organize opposition to the proposed legislation.

The stock-growing and other allied interests were solicited to come to the rescue of the alarmed packing industry and aid in securing milder restrictions than the drastic provisions of the Beveridge amendment. An emasculated substitute was privately prepared, which had the approval of the packers' representative, who appeared before the Committee on Agriculture. This substitute was deservedly characterized by the President as a "packers bill," and was abandoned almost immediately after its presentation to the full committee.

Nearly a week's time was then occupied with lengthy hearings, which served no good purpose other than to demonstrate that the allegations made by the President's personal agents, Messrs. Neill and Reynolds, concerning the scandalous conditions existing in the Chicago packing houses, were fully substantiated by a prior and official report submitted by the Chief of the Bureau of Animal Industry.

Still another week was consumed in preparing a committee substitute for the Beveridge, or Senate, amendment, which when reported to the House met with such a storm of disapproval from Representatives and also from the press throughout the country that its withdrawal became imperatively necessary.

The House may now be congratulated that after days and weeks of inexcusable delay and uninforming discussion in committee, that through the kindly and persuasive intercession of Speaker CANNON, the Committee on Agriculture have at last come to an agreement, and presents for the approval of the House an amended bill fairly satisfactory to most of the members of that committee; a bill which in all important features practically conforms to the Beveridge amendment adopted by the Senate.

It is to be hoped that the Senate will promptly concur in the comparatively unimportant changes made by the House, and speedily enact legislation that will receive the approval of the President, and because of the implicit confidence the great mass of our people have in the integrity, honesty, good judgment, and equitable fairness of the present Chief Magistrate, we may reasonably hope that popular sentiment, which at all times supports his efforts to ferret out and punish corporate selfishness and greed, will approve of the corrective measures provided by the proposed legislation, to the end that consumers of the products of American canneries may regain confidence in the cleanliness and wholesomeness of the meats slaughtered and canned in the packing houses at Chicago and elsewhere.

In conclusion let me express sincere regret that without impugning the motives of the President, we did not follow the example of a unanimous Senate and at once accept the recommendations made by him, and thus have avoided undue publicity and unnecessary exaggeration of a disreputable scandal which threatened to at least temporarily embarrass one of the great industrial interests of the country.

Inspection of Meat.

SPEECH

OF

HON. FRANKLIN E. BROOKS,

OF COLORADO,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, June 19, 1906.

The House having under consideration the clause in the agricultural appropriation bill relating to the inspection of meat—

Mr. BROOKS of Colorado said:

Mr. SPEAKER: Not only this House and the interests directly concerned, but particularly the people, are to be congratulated most heartily on this happy outcome of which promised to be a very disagreeable situation.

Most of all there are to be congratulated the great agricultural and live-stock industries, which perform so important a service in contributing to our business prosperity.

I shall attempt to give no figures nor statistics, save to state that the annual value of the live-stock product of the United States, excluding horses and mules, reaches the enormous figures of $1,544,000,000, and out of the total value of our foreign commerce $249,300,000 is the annual contribution of the meat and cattle industries. That a result, therefore, which is entirely acceptable, on the one hand, to the producers of the raw material and, on the other, to those who turn out the product ready for the market, is a great cause for congratulation. But it is vastly more important that the proper and justified demand of a great number of the people for a thorough, adequate, and enforcible law which will regulate the sanitary condition sur-

rounding the preparation and the purity of this greatest of our food staples has been complied with.

The Committee on Agriculture had presented to it over two weeks ago its original bill, with Senate amendment 29, which was an earnest effort to meet the desire of the people and remedy the dangerous conditions that existed in our great packing center. After the most careful and painstaking attention the committee was convinced, however, that in some particulars it would be found impracticable in operation; some of its provisions appeared inconsistent and contradictory, and it was certain that the greatest doubt existed with regard to the constitutionality of some of its most important features, as therein set forth. We therefore, with considerable reluctance, carefully reconstructed it.

It is, however, a mistake, and unjustified by the facts, to suppose that the House substitute as originally reported overlooked or omitted any essential feature of the Senate amendment.

The Senate amendment provided, in brief, for a discretionary ante-mortem inspection and a mandatory post-mortem examination; access at all times to the plants; proper sanitary conditions to be rigorously enforced; careful supervision and inspection not only of the fresh-meat product, but that portion which was to be cured, canned, or treated; regulations preventing the shipment in interstate commerce of uninspected meats; provisions concerning the shipment of cattle and meat food products for export; penalties for disobedience, and a method of providing the cost of inspection.

I think that it is but just to say that the House committee bill covers every one of these features adequately and well; for the advantage of no industry, class, or special interest, but from the point of view of the great mass of the people—producers and consumers alike. There were changes, and important ones, which the committee believed were without exception in the line of improvement and facilitating the operation of the measure. The criticism which followed the appearance of the House amendment was, we thought, due in the main to unfamiliarity with its provisions. However, the committee fully recognized the possibility of further improvement, and nowhere was there any keener desire to meet any well-considered request for more definite statement, elaboration of detail, or correction of imperfections. Most of all was this the case when these suggestions came with the great weight of the name and the high devotion to the people's interests of the President of the United States.

But it is only fair to the committee to call attention to the fact that when carefully considered and compared the differences of judgment elicited by the discussions which followed the report of the committee bill were so slight that, save in two or three particulars, they had reference in fact to verbiage and form of words and not to essentials. The result of their desire to meet suggestions is now in your hands.

The amendment before you for consideration differs in three particulars worthy of serious consideration, and in three particulars only (other than as to mere matters of verbiage), from the bill reported to this House on the 13th.

The right to nighttime access to the plant, which is twice given in express terms, is repeated; to the adjectives "unsound, unhealthful, unwholesome, and otherwise unfit for food" is added the word "unclean." "In the presence of an inspector" is added as a clause qualifying the function which an inspector must cause to be performed. "Shall be destroyed" is substituted for "shall cause to be destroyed." And there are a few other purely verbal changes. The changes other than verbal are these:

It was thought wise by the Department to make the bill go into effect on October 1, rather than immediately, and that called for some changes as to inspection of supplies of meats on hand; that again was detail and absolutely unobjectionable, and the changes were readily made.

The original committee bill gave to the Secretary plenary powers over the inspection and the inspectors, and the highest penalties of the law by fine and personal imprisonment were imposed upon violators of the provisions of the proposed act. If, within these powers and these penalties, there was a desire upon the part of the Government that there should be an express statement to the effect that the Secretary might withdraw the inspectors from plants failing to obey his orders, there should be no great objection, except, perhaps, that of too great particularity of detail expressing one of many minor authorizations included within the general powers, and possibly omitting others.

Entirely with the idea of facilitating the operation of the inspection and enabling the Secretary to immediately obtain competent forces to carry out the will of the Congress, the Secretary was allowed, for a period of one year, to choose his inspectors without reference to civil-service requirements. The statement was made that there were only 45 available inspectors on the civil-service list, and it was believed that many times that number would be required. There is absolutely, therefore, no warrant for any suggestion from any quarter that this provision was in derogation of the Commission or hostile to the principles of the civil service. If now the Secretary can secure enough help without this modification of the law, it is absolutely immaterial to the committee, and they, therefore, most cheerfully eliminate that provision.

The material changes from the Senate amendment first recommended to the House are retained in all their essentials. I think it is a cause for congratulation that, notwithstanding the discussion and the first suggestion to the contrary, the amendment still carries the original House provision that there be no dates on the labels of the inspected cans.

We seem to have been inclined to forget that we are legislating, not only with reference to six or eight plants with their headquarters at Chicago, but a great industry located in a dozen States, and also the stock-growing interest of a whole nation.

Keenness of international rivalry for foreign trade is nowhere more plainly visible than in the contest for supremacy in supplying the meat foods of the world. In England, Germany, France, and other places on the Continent our meat food products come into competition with the products of the Argentine, Australia, New Zealand, and particularly the great packing industries now starting in Austria-Hungary and the Danubian provinces. The producers in these localities are hampered by no such restrictions, and it is of the utmost importance to our growers of corn, cattle, sheep, and swine that our products meet the products of these sections on as nearly an equal basis as possible in the foreign markets.

The committee was shown that, as a rule, our canned products were not placed on the foreign markets for a considerable number of months after they were canned; it is elementary, therefore, that if our products bearing a date stamp showing that they were from six to twelve months old should meet in foreign competition other canned products no better, sometimes not nearly so good, but without any mark showing their age, they certainly would be at a disadvantage. However, the committee did not stop here. It was not until we were shown by the most definite and disinterested evidence that could be obtained that meats which were well canned in the first instance were not in any way injured by being kept three and, possibly, four years that we decided to eliminate this provision. We did this, thoroughly believing that by doing so we were advancing the interests of the cattle growers and the hundred allied interests—that we were injuring no one; and we are of the same opinion still. Likewise the modified committee amendment retains our former provision with regard to putting the cost of inspection upon the Government. The only argument that has been presented for making the packers pay this charge is a twofold one—first, that they being the cause of the difficulty should be penalized by the cost of the inspection; second, that inasmuch as these inspections improve the condition of the plants and benefit the business, it is no more than right that they should pay for something which is for their own benefit.

There certainly is no force in the first of these arguments. This legislation is not, and should not be, vindictive; we are not imposing penalties for past offenses. We may condemn as strongly as we desire and as the facts may justify the disregard of sanitary conditions and the health of the consumers and the wanton selfishness shown by these institutions which are now under public censure, but that is not the principle which should govern the Congress of the United States in its work.

The second has even less force. This legislation is not enacted because it hurts or helps the packers, but because we believe that the health of our own people, the welfare of the producers, and the demands of our foreign commerce require it. Under these circumstances, it would be a wrong governmental principle and a vicious practice to levy a tax on any industry for the payment of the cost of a governmental function. Either the Government should inspect our meat products or it should not; if it should inspect them, it should pay for it.

The Senate amendment absolutely takes away from this House the control over the revenues and the taxation necessary to raise funds to carry out this piece of legislation. It is in this particular an innovation and an impairment of the powers of the Congress not justified by the facts and entirely unsupported by any real precedent.

From consideration of expediency another objection is absolutely conclusive. The cost of this inspection is bound to fall first upon the producer and then, in all probability, upon the consumer as well—at least there is this possibility—and if

the packing business is the outlaw trade it is supposed to be, then certainly the packers will take this opportunity to reap a double profit at the expense of the country. For the sake, therefore, of the grower of the beef and of the consumer we should allow this expense to remain where it belongs and where the committee left it, in the power of the Congress, to be paid for from the public revenues.

This legislation marks a long advance in the expanding of governmental functions in their supervision of the affairs of the everyday life of the people. It vests in one of the Departments a supervisory authority hitherto exercised by none other. By its terms, even as it now stands, one man is made practically the arbiter of the character of a considerable portion of the daily food of 80,000,000 of people and of a large share of our entire foreign commerce. It is a stupendous power, and something that the founders of the Constitution never dreamed of; something that fifty years ago would have been considered revolutionary. Even the time that the House committee devoted to the bill seems small in comparison with its tremendous importance.

It is not enough to say what is undoubtedly more than true, that under the Department of Agriculture as at present conducted the act would be executed with an eye single to the good of the people, and all the people, and with rare tact, business judgment, and efficiency. The splendid personality of the present Secretary of Agriculture is a disarming feature to any suggestion of criticism of expanding departmental control. It is hard to make a conservative suggestion when the present Secretary is an issue, even collaterally. The Congress and the people bid him godspeed, and desire to strengthen and support him rather than weaken or restrict. But, Mr. Speaker, we are legislating for years, not for administrations. The present meat-inspection law has stood on the statute books many years. We confidently trust that this measure shall be the substantive law on this subject for a generation.

The House committee, therefore, and every party in interest, read with something of a shock the language of the Senate bill, which, after providing for a complex, not to say cumbersome, appeal to the Secretary, rendered the decision of that official final and conclusive in all cases.

As the general law now stands, the power of the Executive Department can not be called weak or unduly limited. The abstract principles are clear. When the function is purely ministerial, the power of the Secretary is unquestioned, and the only remedy is to compel the exercise of the ministerial function in case it is refused or to restrain its unlawful exercise. When the function is purely judicial, and the act of the Secretary is within his authority, it can not then be reviewed save for error of law, subject always to the qualification that property can not be taken without due process of law and that the constitutional rights of citizens can not be taken away. But the act of the Secretary within the limit of his power is "process of law" (Public Clearing House *v.* Coyne, 194 U. S., 497; Weimer *v.* Burebury, 30 Mich., 201), and the Constitution recognizes the power of and the necessity for the delegation of this power to the Executive Departments (Marbury *v.* Madison, 1 Cran., 136).

Between these two extremes above suggested lies the great mass of cases of mixed law and fact, where uncertainties will arise, and where in proper cases the doors of the courts stand open for the adequate protection of the people's rights. (American School of Medicine *v.* McAnulty, 187 U. S., 94; Caldwell *v.* Robinson, 59 Fed., 653; Missouri Drug Company *v.* Wyman, 129 Fed., 623, 629.) Other instances of the class of cases considered and the kind of protection given are: Rosenberger *v.* Harris (136 Fed., 1001), Houghton *v.* Payne (194 U. S., 88).

As a practical matter the courts disturb departmental decisions under existing law only in exceptional cases, for the reason that, with very rare exceptions, the Executive Departments under the present restrictions have carefully kept within the limits of their undoubted powers. (Gardiner *v.* Bonesteel, 180 U. S., 362; Riverside Company *v.* Hitchcock, 190 U. S., 316–324.) But the right of review exists, and the value of this right to the people can not be exaggerated. It has acted, moreover, as a salutary deterrent against arbitrary exercise of power, and the success of the present arrangement is the strongest argument against any innovation.

In these cases just cited, as was said by the United States Supreme Court in the case of Bates *v.* Payne, in 124 United States, while the action of the Department carries a strong presumption of its incorrectness, the courts do have the power to review and will on proper occasions exercise this power. In the case at hand this right is of tremendous importance. No one denies for one moment that a large portion of the subject-matter of the inspection here provided for is of such a nature that necessarily there must be a power of final, absolute decision lodged in the Secretary. No one looks for an appeal to the courts in the matter of the condemnation of a quarter of beef as unsound and unfit for food, but this act gives to the Secretary the power to pass upon questions of both law and fact relating to the sufficiency of the sanitary conditions of property aggregating hundreds of millions of dollars in value; the propriety or impropriety of methods of preservation in use for ages and affecting vast amounts of property annually. It would allow the Secretary the power of exclusion from interstate commerce of thousands of head of cattle, sheep, and swine from large areas for long periods of time, if, in his opinion, the public health required it. There are rights involved here which demand and must receive judicial protection. This is the class of cases to which the courts had reference in the decisions just mentioned.

Obviously this appeal provision as the Senate left it did one of two things: It either made the bill unconstitutional and of no effect, because it denied to the people rights that the Constitution guaranteed, or, if constitutional, it turned over body and soul to the discretion of one official—and it is conceivable that at some time in the future the man who filled this office might be ignorant, vicious, or corrupt—the destinies of two great industries, the means of livelihood of hundreds of thousands of people, and a great fraction of the entire volume of our foreign commerce.

It seemed to the committee that if they allowed this to remain unchanged, the comment of Mr. Wigmore, in his late work on evidence, would be apt. After showing that decisions made under such legal sanction would be conclusive, he says:

> Here the moral is that if the legislature is willing to create petty despots, the community must seek aid through better legislature and not through a denial of necessary executive functions.

This power given by the Senate bill is absolutely unnecessary to a proper and most thorough enforcement of a meat-inspection law, and therefore there seems to be every warrant for the committee's original position that if the Senate amendment with its remarkable delegation of power should stand, a right of appeal to the courts in proper cases should also be secured. If, however, as the case developed in this instance, it is found that the Department is willing to eliminate this delegation of power given by the Senate provision, there is no occasion for the retention of the court-review feature unless the Department shall also insist upon such words as "in his judgment" or "in his discretion" as qualifying phrases applied to any exercise of the functions created by this bill.

If this insertion were made then, as is very elaborately shown in the cases of Noble *v.* The Union River Logging Company (147 U. S., 165), and People's Bank *v.* Gilson (140 U. S., 1), and especially in The Public Clearing House *v.* Coyne (14 U. S., 497), the same result in effect would be accomplished as would have been brought about by the retention of the Senate amendment without the court-review feature; so that it is entirely necessary to the preservation of the rights of the people as they now stand that these words should not be added, and the measure submitted does not carry them.

This is the whole situation with regard to the much-discussed court-review feature; it was inserted simply because of the necessity arising from the extraordinary language of the Senate amendment; it was stricken out because there went out with it the provision of the Senate amendment making the Secretary's decision final, and it was not finally urged that the committee should insert the words "in his discretion."

It certainly is unnecessary to say that there is in all this absolutely nothing of hostility upon the part of the House or this committee to any executive department or the passage of the legislation; on the other hand, there is a most earnest desire that the law shall be speedily passed, that it shall be efficient and effective in the highest degree possible, and that it shall satisfy not only the needs but the desires of the executive departments concerned.

It is therefore with great pleasure that the committee learn from the gentleman from Wisconsin and from other sources that the President of the United States has recognized these conditions, and that upon consideration the bill in its present form, with the insertions and eliminations that I have mentioned, has met his ready approval as an adequate and complete measure. And I believe that I can say without the slightest violation of confidence that in this opinion the Secretary of Agriculture freely joins.

There is power enough in this bill for any department; there is the means given for the adequate enforcement of any law, and there is at the same time an adequate protection of great fundamental and vital constitutional rights.

I suppose that it is one of the penalties of a legislative position

to be misunderstood and misrepresented, but that is only an incident, and I am satisfied that when the people of this country consider this measure if it passes, as I trust that it may, they will find that their Representatives in the Congress of the United States have given due heed to their welfare and their safety, and have also given them every protection that the Constitution and proper legislative precedents demand.

Agricultural Appropriation Bill.

SPEECH
OF
HON. GILBERT N. HAUGEN,
OF IOWA,
IN THE HOUSE OF REPRESENTATIVES,
Saturday, June 23, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 18537) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1907—

Mr. HAUGEN said:

Mr. CHAIRMAN: Inasmuch as practically no time or only twenty minutes was given to debate in considering the so-called "Beveridge amendment" to the agricultural appropriation bill, and as no time was allotted me, I avail myself of this opportunity in offering a few observations at this time.

First, to say that I voted for the committee substitute with pleasure and much satisfaction. It may not be a perfect bill, but nobody can make a perfect bill covering that important subject. It is as good as could be expected. This amendment came here backed up by the unanimous report of the committee. An amendment prepared by the Agricultural Department, it had the approval of the President; it meets the recommendations and views of the minority members of the Agriculture Committee with one single exception, and that as to the packers paying part of the cost of inspection. So let it be understood on the start that I have no criticism to offer, and let it also be understood that I have no criticism or reflection to make on any member of that committee or anyone connected with this legislation.

I give everybody credit of being as honest and sincere in his convictions and of possessing as high a degree of integrity as I do. Here we had a committee, consisting of eighteen members, representing varied interests, and each Member felt in duty bound to guard, promote, and protect the best interests of the people he represents, each Member working earnestly and honestly for days and weeks and, I might add, much of the night, all with one end in view, and that the best interests of all concerned, which includes all the people, as practically all are consumers of meat products, if not all cattle raisers and packers. Special credit is due the worthy chairman of that committee for his untiring and conscientious efforts. Having said this, nobody will or can justly say that I question the motive or integrity of any Member of this or any other branch of the Government.

The question is not whether or not there shall be legislation as to the inspection of meat. All say that they are agreed as to that; but, as stated by the chairman, there is and was difference of opinion as to what legislation shall be had. First, as to who shall destroy the condemned carcass. On one hand the contention is that these carcasses shall be destroyed by the inspector; others contend that the establishment shall destroy the same and in the presence of the inspector, and if not thus destroyed by the establishment, in that event the Secretary of Agriculture may remove inspectors from such establishment. Personally I believe that these carcasses should be destroyed by the establishment, and that the Government should assume no liability in destroying the carcasses. The substitute reported by the majority provided that the "inspector should cause the same to be destroyed." With that provision in the bill the Government would be liable for its value if it had any. What would be the result?

If a carcass or part of one is condemned and destroyed by the Government inspector, or suppose the inspector should decide that tuberculous carcasses are unfit for food products, and a number of million carcasses are so condemned and destroyed, and at some future day some inspector, court, or jury could be found that would hold that this disease is not injurious to health, but that by some process it could be made wholesome, palatable, nutritious, and healthful, and that such carcasses are of as much value as carcasses from animals not infected with the disease, the packers would of course have a claim against the Government for the carcasses destroyed, and if so they would have a valid claim against the Government which should and would be paid; for this very reason the packers are not satisfied by simply providing for an appeal to the chief of the Bureau or the Secretary of Agriculture, and that his decision shall be final, but pray for a court review of the broadest kind, and insist that they must have the privilege of appealing to the court, so if an inspector or anyone in authority in the Department can not be convinced as to the alleged soundness, value, and healthfulness of such diseased carcasses they hope that possibly they may find some court or jury that will help them out. I believe that inasmuch as the packers have brought about the present conditions and made this inspection necessary to maintain, protect, and extend their business, the Government paying all the expenses connected therewith, the Government should not be held liable for diseased carcasses condemned by the Government which some court or jury may hold to be sound, healthful, and of some value. And it is gratifying to know that the committee substitute was finally amended so that the condemned carcasses will have to be destroyed by the establishments and that the Government will not be held liable.

The next question is money to pay the expenses—not so much who shall pay the expenses, but how to provide for adequate funds to carry out the provisions of the law so as to provide all packers at all times with the inspection service. It has been said that the beef trust objects to paying for the inspection on account of it increasing its expenses. The actual expense of the regular inspection last year was 2 cents per head for cattle, 1¼ cents for hogs, and 1¾ cents for sheep. This paid the actual expense of the regular inspection, which includes ante-mortem and post-mortem inspections. Now, will anyone contend that a fee or expenses of 2 cents per head for cattle is of any consequence to a packer who, you say, fixes his own price on the cattle bought, as well as on the meat product itself? No; the packers would gladly pay $1 a head—not 2 cents, but $1 per head—for this inspection if they could keep the small packer out of business by depriving him of this inspection—the Department has in the past by reason of lack of appropriations been unable to supply the small packers with this inspection service, and thereby the large packers, the so-called "beef trust," have been given an absolute monopoly, the continuation of which they are now so persistently struggling for; and to show how difficult it has been to secure appropriation in the past, I will give the history of recent appropriations.

First, I refer you to page 10 of hearings of the subcommittee of the House Committee on Appropriations. First, Mr. TAWNEY asks the Secretary this question:

> You estimated at that time you will only require $20,000 more?
> Secretary WILSON. That means this: That $20,000 more than $115,000 is needed. That is what it meant.

Secretary Wilson's letter to the Secretary of the Treasury is quoted in part:

> During the fiscal year ending June 30, 1905, the Bureau of Animal Industry had appropriations amounting to $1,520,000, while the amount appropriated for the present fiscal year ending June 30, 1906, is $1,431,520, a decrease from the former year of over $88,000. (See p. 11.)

Secretary Wilson says:

> The Agricultural Committee had given us $75,000 more for this work, and then they took it out and put it somewhere else. I think they gave it to the Forestry.
> Mr. LITTAUER. Who had given it to you?
> Secretary WILSON. The Committee on Agriculture put it in the bill, and then under pressure from some other source took it out and put it in Forestry and told me that if we found we could not get along they would come to the committee and get the money for us in the shape of a deficiency.

Notwithstanding this statement by the Secretary and the statement made by Doctor Melvin, their earnest appeal made for an appropriation of $135,000, yet only $20,000 was reported by the Committee on Appropriations. The action of the committee was sustained by the House. The Senate increased the appropriation to $135,000, the amount asked for by the Secretary. The conferees compromised on $63,000. This year the Department estimated and asked for an increase of $272,000. After weeks and months of deliberation the Committee on Agriculture reported a bill for an amount within $129 of the amount estimated by the Department. The House sustained the committee, and then and there the trouble began. It was then that the Neill-Reynolds Commission was appointed and began its investigation. It is reported in the press that after this report had been made the packers were given another chance, if they would agree to desirable and necessary legislation. I read to you from the Evening Star, Monday, June 16:

A SIGNIFICANT REMARK.

The President made one statement to-day that is of interest to connection with the present fight. That was that he would not have given

the report of Messrs. Neill and Reynolds to the public if otherwise he could have secured the sort of legislation he deemed desirable and necessary. The visitors to whom he was talking caught the impression from the remark that the President had tried to get the packers to do certain things and accept certain laws, but that they would not do so, and he gave the report to the public to let public opinion get in its work. This is one of the points upon which the President is criticised, even by those who agree with his efforts to obtain proper legislation. It is pointed out that the President might have saved American trade abroad and caused less of a stir if he had used his information to force the packers to change the things complained of and to accept laws that would prevent recurrence of the evils.

The proper construction of the remark of the President, it is believed, is that he would not have resorted to publication if he had not known that he could not secure the necessary laws without appealing to public opinion. The President knew the tremendous pressure that the packers could bring upon Congress and believed that he would probably lose his fight for corrective legislation but for making the people his allies in the contest.

At the same time it would be interesting if the fact could be shown that the President did give the packers an opportunity to yield to the inevitable before he prepared the report for the press.

I state this so that the country may know who is responsible for existing conditions. That the packers are themselves responsible and that this criticism and fault-finding with the Executive is unfounded and uncalled for. Having had this experience and knowing of the exact conditions, and having the interest of the independent, the small packers, and cattle raisers at heart, how could the President do otherwise? The packers themselves brought on the publicity. They hoped thereby to force the price of stock down and thereby add a few more million dollars to their profits; failing in this effort—and let me say here, notwithstanding the numerous assertions that the price of stock has been continually going down—the prices have gone up. When the packers discovered their inability to force the prices down it was then that the packers became so much interested in this legislation; it was then that they began to telegraph everybody to hurry legislation.

The cattle raisers of Iowa have been imposed upon long enough. They have been compelled to ship their stock to Chicago or other packing centers, a distance of from two to six hundred miles to be slaughtered, paying transportation charges to Chicago or other packing centers, yardage, commissions, and transportation charges back to Iowa; that is, on the portion consumed there, and much of it is shipped back and consumed in States where stock is shipped from. As everybody knows, were it not for these rebates and discriminations by transportation companies, the abuses in these private car lines, these icing charges, and the depriving the independent, the small packers of this inspection, the Iowa steer and the Iowa hog would be slaughtered and manufactured into food products in packing houses owned and operated in that State, thereby saving to the stock raisers the expense of transportation, yardage, commission, etc. And what is true of Iowa is true as to other States. We hope to do away with this discrimination and rebates, these abuses in private car lines and icing charges in the rate bill.

Will you help us out in extending to small packers this inspection?

We have labored honestly and faithfully for years to secure the necessary funds to extend this inspection to the independent and small packers, or, in other words, for a square deal. I am pleased to know that victory is in sight and that hereafter whenever a farmer or packer wants to kill a steer in some home establishment he will not have to come here to Washington on bended knee and ask for 2 cents in order that this steer which he has worked and cared for for years may be inspected, so that its meat may enter into interstate and foreign commerce.

The bill provides for a permanent appropriation of $3,000,000, which, in my opinion, will provide the Secretary of Agriculture with adequate funds for this inspection for many years to come.

If I had my way about it, I would provide that the packer should pay part of the expense. The Government should pay for the regular inspection—that is, for ante-mortem and post-mortem inspection. From then on the packer should pay the expense. If the sins of the packers and recent exposures have made this inspection necessary, if the packer insists on mixing meats that have been inspected and found to be sound and healthful with dyes and chemicals that may be injurious to health, thereby increasing the price of his product, or, in other words, if his conduct in the past has been such that he can not be trusted in the future, and that it may be necessary to station an inspector at his establishment to prevent him from canning rotten meat mixed with rope, hog skin, etc., then he should pay for it. But I have heard it said: "Why should this industry be singled out? Why should the packers pay the expense of this inspection? If so, why not tax every manufacturer who comes under the pure-food bill?" Will some one tell me of a single industry or a manufacturer over which the Federal Government has supervision or where the Government certifies to the quality of the manufactured product, or where it is O. K.'ed by the Federal Government, that is not taxed? The Government inspects and certifies as to the standing of banks, but it charges a fee of from $20 to $50 for each bank. It inspects whisky, but whisky is taxed $1.10 a gallon. It taxes oleomargarine one-fourth of a cent per pound and 10 cents per pound for colored oleomargarine. It taxes adulterated butter 10 cents per pound; it also taxes renovated butter, and that without certifying to the quality of either of these last-mentioned articles.

The pure-food law does not provide for inspectors for the various establishments, nor does it provide that the various products shall be inspected and certified to. It simply says that the manufacturer shall not adulterate or give short weight and measure. If he does, and he is found out, he shall pay a certain penalty for so doing. It is different with the packers. Here we provide for the inspection, and when inspected the can or the ham or whatever it may be shall be marked "inspected and passed," thus certifying to its quality. The packers get the benefit, and why should they not pay for that part of the inspection? The expense to the packers would probably be less than one-half a cent per head for cattle, sheep, and swine. If the total expense of inspection is taxed to the packers, and the cost of the ante-mortem inspection is deducted from the price of cattle, the expense to the cattle raisers will be less than one-half a cent per head. The actual expense for last year was six-tenths of a cent for cattle or 12 cents a carload of twenty head of cattle. Looking at it from the view point of the packers and the cattle growers, is it not better—yes, infinitely better—between the two to pay 1 cent a head for this inspection rather than to take the chances on losing our foreign trade? For the first eleven months of the present fiscal year we sold meat and meat products to foreign countries amounting to $180,000,000, an increase of about 60 per cent. Besides this there is our home market to be looked after. In my opinion, I believe that either of them could afford to pay the total cost of inspection, which was 2 cents per head for cattle last year, rather than to take the chances of losing either our foreign or domestic trade.

Now, a word as to the possibility of the packer deducting the cost of inspection from the price of cattle. The contention is that if the packer is compelled to pay all the expense of inspection, the cost of the ante-mortem inspection would be deducted from the price of cattle. First, what does it cost? Doctor Melvin says six-tenths of 1 per cent per head for cattle, three hundred and seventy-five one-thousandths, or one-third, of a cent for swine, and five hundred and twenty-five one-thousandths, or about one-half cent per head for sheep. Will it not be better for a cattle raiser in Iowa to pay an inspection fee of 12 cents per carload of twenty head of cattle rather than to be deprived of a home market for his home cattle? The inspection fee of 12 cents is equal to about one-tenth the price of a bushel of corn or a hundred pounds of hay in the Chicago stock yards. The cost of shipping a carload of cattle to Chicago and the meat product thereof back to Iowa is about $100; to that add yardage, commission, and extra shrinkage, so the cost of inspection is 12 cents to $100 saved—that is, if the expense of shipping cattle to Chicago and the meat product back to Iowa can be saved by reason of this inspection. I take it that no one questions but that this is being done. Some thirty years ago these packers began to exercise their power in controlling the retail trade. They went into towns and cities of 5,000 and up, in Wisconsin, and demanded of the retail butchers that they buy meat from them and cease butchering; if not, they would open a shop next door and sell meat below cost. Of course, there was nothing else for the retail butcher to do but to accept the proposition. Later they began to operate in Iowa, and as everybody knows the beef trust is absolutely king and dictates terms to the retail dealers in towns wherever they go; and I understand that they are about to adopt the contract system that was adopted by the harvester trust that will compel all retail dealers to buy from them alone. At any rate, we know that the retail dealers in the larger places are supplied by the packers, or trust, and that no cattle, sheep, or swine are permitted to be slaughtered in those cities or towns, which, of course, compels the cattle raiser to ship his cattle to Chicago or the large packing centers and the shipment of meat products back to the consumer in these towns and cities.

Yet we have men pleading and praying, early and late, in and out of season, that this rank injustice may be permitted and perpetuated, talking themselves hoarse in defense of these packers, the so-called "beef trust." To hear them talk you would think that this trust is the only worthy, legitimate, and enterprising concern in the United States.

It is contended by some that the per-head tax is unjust, as the

tax on the canner is the same as on the fat steer, and that if it were not for these packers the canners would have to die on the farms and ranches. For the sake of the argument, let us assume that the first is true. What of it? The farmers and ranchmen are being paid from $4 to $10 per head for these canners, an amount which is less than the value of the hide on the canner. The hide when taken off and salted is worth from $4 to $12, yet the farmer is paid only from $4 to $10 per head for the canner. Wondrous and generous people, indeed! Why should we not hasten to subsidize this industry, so that the poor farmer and ranchman will not be compelled to throw in his part of the hide in order to dispose of the canner?

What do the packers do with the $8 canner? First, he sells the hide, weighing 70 pounds, at 18 cents per pound, or $12.60 for the hide. Much of the beef is sold on the block at prices ranging from 5 to 20 cents per pound. Some one has said that the scraps are mixed with the sweepings of the floor, and in order to deaden the odor some old rope, chemicals, and dyes are added and sold from 20 to 50 cents per pound in the can. Now, do you wonder that there is so much sympathy and that the sentiment is so intense for these downtrodden, overburdened, and much-abused packers and so little sympathy for these 6,000,000 families engaged in agriculture, all of them more or less engaged in stock raising? Having weighed these mighty arguments, who will say that these cattle growers are entitled to any consideration, especially now that under the present arrangement they get a part of the price of the hide for their two or three years' toil with the ox or cow or whatever the canner may be? But some one says, "Here is Boston clamoring for free hides, and it looks as if we will have to give it or lose Massachusetts." Then what becomes of the cattle-raiser without his hide? But you say, "What of it?" These generous, patriotic, and enterprising packers have cared and provided for them so well in the past they will not be permitted to perish.

If the farmer will keep on voting as he has in the past, he shall not starve, because the all-powerful, benevolent beef trust has so decreed. Be not alarmed. The census taker has informed us that you farmers have nearly 43,000,000 cattle, 42,000,000 sheep, 37,000,000 swine, and 2,000,000,000 bushels of corn, and that you have hay to burn; he has valued your cattle, horses, sheep, swine, and mules at two and one-fourth billion dollars. Have faith. When your corn and hay is exhausted, and when we get good and ready we will take your stock at our own prices and conveniences. Keep on voting and feeding, ye farmers of Kansas, Wisconsin, Colorado, Texas, and other States, with this decree, these assurances, this generosity, these promises, and the earnestness with which these prayers are offered. When I see the picture drawn of this generous industry—the beef-trust—a picture so beautiful, so artistic, and so skillfully drawn, and when I think of all that is claimed that this trust has done for the cattle raisers and independent packers, and what it promises to do in the future for the farmers and consumers, I can readily see why a person believing it should ask, "How can any conscientious, patriotic citizen have the heart or courage to object to a million or two subsidy every year for such a worthy, deserving, and enterprising trust?"

How perfectly absurd it must have looked to them for me or anybody to even suggest a tax, a charge, or to lay a single straw in their way, or to protest against a single suggestion made by such a worthy and deserving trust; but while in so doing we have incurred the enmity of this alleged good, worthy, deserving, generous, patriotic, and enterprising trust, there is, however, one consolation, and that is that we will always be able to look the steer, the swine, and the sheep square in the face, and when I think of the embarrassment that came to the good Republican who permitted himself to commit the unpardonable sin of voting for Grover Cleveland and free wool, confessing on his dying bed that from that day in shearing his sheep he never could look that animal in the face, so there is some consolation in the act of having fought for these noble animals and the best interests of the producer, the consumer, as well as the independent and small packer that have been discriminated against and abused in the past.

I append to my remarks an amendment which I intend to offer. Also views of the minority, which partially set forth my views.

After the word "employed," in line 22, insert:

And if at any time the appropriations made by the Congress are inadequate for the expenses of the inspection, examination, and supervision of cattle, sheep, swine, and goats, and the meat and meat food products thereof which enter into interstate or foreign commerce, and the sanitary inspection of the establishment wherever said animals are slaughtered and meat food products are prepared, and for other expenses necessary to the execution of the provisions of this act relating to meat inspection, then, and in that event, the Secretary of Agriculture is authorized and directed to prescribe and fix reasonable fees for the inspection and examination of all cattle, sheep, swine, and goats, and meat and meat food products thereof, maintained in accordance with the provisions of this act, which fees shall be fixed by the Secretary of Agriculture at a rate which, as nearly as possible, will serve only to defray the cost of said inspection and examination, and the said fees shall be uniform throughout the United States and shall be collected by the Secretary of the Treasury and shall be deposited in the Treasury; and a schedule of such fees, together with the rules and requirements relating to the collection thereof, shall be set forth in regulations prescribed by the Secretary of Agriculture and approved by the Secretary of the Treasury. The fund thereby created shall be subject to the requisition of the Secretary of Agriculture, as if appropriated by Congress, for the necessary expenses of carrying out the provisions of this act and shall continue permanently available until used.

[House Report 4935, part 2, Fifty-ninth Congress, first session.]

VIEWS OF THE MINORITY.

The undersigned minority members of the Committee on Agriculture, to whom were referred the Senate amendments to the bill (H. R. 18537) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1907, are unable to agree with some of the important provisions of the majority report, in so far as Senate amendment No. 29, commonly known as the "Beveridge amendment," is concerned.

Without going into detail as to all of the provisions of the committee's substitute to the so-called "Beveridge amendment," many of which we are in accord with and with numerous others we dissent from, it is our desire by this report to emphasize our position upon some of what to us are considered very important propositions.

First, we state our desire for the enactment of a law that will produce the best possible inspection of all meat and meat food products that are consumed not only by our own people, but by all the people of the world who consume the same, and we wish to say that many of the provisions of the so-called "Beveridge amendment" and many of the provisions of the committee's substitute tend toward this end, and, which we heartily commend.

The first proposition, however, that we desire to call atention to is the cost of this much-needed inspection, and upon whom this burden or expense shall fall. We desire and believe a sufficient amount of money should be appropriated in the first instance by the Government in order to fully meet all possible demands, and that this appropriation, be it $2,000,000 or more for this purpose, should be made at this time, and it should be permanent, in order that the service might not hereafter be crippled in any manner. In this connection we wish to emphasize the fact that while we are protecting the consumers of these products, yet the stock producers of this country should also receive at the hand of the Government as great protection and encouragement as is possible. The stock raised by our farmers are the natural products of the soil, and are one of the main food products consumed by our people. Hence it should be the duty of the Government to see to it that this food product, at least so far as the ante-mortem examination of the animal and the post-mortem examination of the carcass are concerned, should be borne by the Government, and that ample funds should be provided for this inspection in all cases.

This having been provided for and this inspection properly made, we contend that when the food carcass is thus put in shape for consumption, that thereafter any change of this carcass into food products of any kind by any slaughtering, canning, salting, rendering, or manufacturing concern, thereby necessitating further inspection of this product in its manufactured form, should be borne by the individual, company, or corporation producing this change and manufacturing this food product. Therefore, for the purpose of reimbursing the Treasury, all expense incurred in consequence of this manufacturing process should be borne by the packers or manufacturers in the following manner:

That the Secretary of Agriculture shall ascertain as near as may be the total amount of such expense and fix a charge or fee upon each carcass, or part of carcass, thus transformed into meat food products by any person, firm, or corporation engaged in the manufacture of such food products, sufficient to defray such expense, and that the same be collected by the Secretary of the Treasury and deposited in the Treasury of the United States; that such charge or fee should be uniform throughout the United States, and be of sufficient amount only, as near as can possibly be ascertained, to meet this expense.

It will be seen by the foregoing that it is the desire of the undersigned to absolutely protect the stock raiser from any charge or expense whatever, and that after the animal is slaughtered and found to be healthy and sound for food purposes, only those who cause a change in the carcass should be responsible for subsequent cost and the expense of inspection.

The undersigned further say that in view of the statement made by Doctor Melvin, Chief of the Bureau of Animal Industry, that the expense of the inspection contemplated by this act may, in his judgment, exceed $3,000,000, we therefore suggest that if this expense shall be borne by the Government, the contemplated appropriation in the committee's substitute of $2,000,000 be increased to at least $3,000,000; and that in case it shall be determined that this expense shall be borne by the packers, or otherwise, then, and in such case, the Secretary of Agriculture is authorized and directed to prescribe and fix reasonable fees for the inspection and examination of all cattle, sheep, swine, and goats, and meat and meat food products thereof, maintained in accordance with the provisions of this act, which fees shall be fixed by the Secretary of Agriculture at a rate which as nearly as possible will serve only to defray the cost of said inspection and examination, and the said fees shall be uniform throughout the United States and shall be collected by the Secretary of the Treasury and shall be deposited in the Treasury.

The next proposition we desire to call attention to is the paragraph in the committee's substitute providing for a broad court review concerning all matters which come under the supervision of the inspectors or the Bureau of Animal Industry, in so far as the inspection of meat food products is concerned or contemplated by this act. In our opinion this broad court review is unjustifiable and should be eliminated entirely. The inspection of food products is a matter which should be confined to the executive branch of our Government and it is not a subject for the judicial department. Constitutional rights of persons and of their interests in property is guaranteed to every citi-

zen and can not be withheld, yet a review of matters which are purely executive and which rest in the executive branch of the Government, in our judgment, should remain where the Constitution contemplated they should, and we believe that this broad court review in a measure of this kind is an unnecessary and dangerous departure from the policy and practice of our Government and would materially cripple the efficiency of the inspection service contemplated by this act.

Again, we are opposed to that provision in the committee's substitute which seeks to nullify the civil-service law for one year in the appointment of inspectors who are to aid in the carrying out of this act, and we deem this nullification vicious and that it should not be incorporated in this bill.

The information of the undersigned at this time is that an adequate force of inspectors, competent in all ways to perform the duties imposed upon them by this bill, can be provided for under existing law without the necessity of wiping out this statute for any considerable period of time.

In making this minority report we wish to emphasize and again repeat the fact that, in our judgment, either the Beveridge amendment or the committee's substitute contains many good and substantial provisions which will materially aid in producing better and purer food for our people, and that our only purpose in making this minority report is to call the attention of the House and the people of the country to what, in our judgment, would materially strengthen this much-desired law should either the so-called "Beveridge amendment" or the committee's substitute therefor be enacted into law.

In our opinion, however, the so-called "Beveridge amendment," on the whole, with some slight amendments, would be more effective in producing the results desired than the proposed committee's substitute.

G. N. HAUGEN,
C. R. DAVIS.

Lack of Power in the Federal Government to Provide Complete and Satisfactory Inspection of Meats and Other Foods.

SPEECH

OF

HON. EDGAR D. CRUMPACKER,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, June 22, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration the bill (S. 88) for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes—

Mr. CRUMPACKER said:

Mr. CHAIRMAN: I assume that every right-minded citizen of this country who is not pecuniarily interested in the preparation of meats and other foods for the market is sincerely in favor of such a system of meat and food examination and inspection as will fully protect the public against impure and unwholesome products. The question is one of vital importance to all the people, for, with the increase of establishments in which foods are prepared for consumption, there is an increasing dependence upon that source of food supply. The ordinary individual is utterly unable to determine for himself whether the foods he procures in the public markets are pure and wholesome, and free from deleterious and hurtful ingredients or not. It is proper at this time to consider the question of responsibility for such supervision of meats and other food preparations as the people have the right to expect.

Those who are engaged in the preparation of foods carry with them a grave and solemn responsibility to the public. They, above all others, should assist in the establishment of as complete and perfect a system for securing wholesome food products as it is possible to obtain. The honest meat packer or manufacturer of foods is pecuniarily interested in securing the most rigid and thorough inspection of foods that is possible, for by that means his products are given a reputation and standing with the public. The individual who is engaged in the preparation of impure and unwholesome meats or other foods for public consumption commits a crime against society of the most heinous character, and he ought to be put out of business as speedily as possible. I am in favor of the pending bill, and while it may contain some provisions that I would change, I realize that it is not possible to secure a measure of this importance that will suit every individual in a body of this size in all of its details. I am willing to sacrifice whatever objections I may have to some of its minor provisions in order to secure the enactment into law of its more beneficent features.

In view of disclosures made to the public by recent reports respecting the condition of meat-packing houses in Chicago, the public mind is highly sensitive upon the subject of food inspection at this time, and there is a universal demand for the most rigid legislation that can be enacted to safeguard helpless consumers against the criminal indifference of some who are engaged in the preparation of meats and other foods for human consumption. At the same time it is necessary for Congress to act judiciously in handling the question and to secure, as far as it is possible to do so, legislation that will adequately protect the public and at the same time operate justly and fairly to all interests involved. The feeling of hostility against the beef packers is accentuated by a prevailing belief that they have pursued a course of reckless defiance of laws against monopolies and rebates in interstate transportation. But there is no implacable feeling of hostility against them, for the country recognizes the packing industry as an indispensable one, but the people do protest against methods which the large packers are supposed to have used in securing control of markets and dominating the prices of one of the prime necessaries of life. All the public asks is that the packers and all others engaged in industrial enterprises shall obey the law and deal justly and honestly with their patrons. Whenever the public have that assurance, whatever feeling may exist at this time will speedily subside.

It is my purpose in the remarks I submit upon this measure to discuss chiefly the question of the power and responsibility of the Federal Government in the supervision and inspection of meats and other food products designed for interstate and foreign commerce. It seems to be the popular belief that Congress has authority to enact laws to remedy every evil of a general character, and it has come to be the custom when any question arises affecting the general interests of the people to look to Congress for remedial legislation. A member of this body who has the temerity to raise a question respecting the limitations upon the power of Congress and who doubts its ability to provide an adequate remedy for the prevailing evil is charged by the unthinking with being the tool of the "trusts" or the enemy of the people. As I said at the outset, I expect to support this bill, and I supported the measure reported by the Committee on Agriculture providing for the inspection of meats and meat food products, and therefore I believe I may discuss the question of the absence of power of Congress to furnish a satisfactory remedy to protect the public against impure and unwholesome meats and prepared foods, without incurring the danger of being charged with a lack of fidelity to the interests of the people.

Sir, I maintain that the Federal Government does not possess the necessary power to afford the public even fair protection against the dangers that may come in the preparation and sale of foods that are unfit for human consumption. Under our political system governmental powers are distributed between the Federal Government on one hand and the States on the other, and each is confined to the powers reposed in it and each is supreme in the execution of its accredited authority. The Federal Government was ordained for the purpose of dealing with questions of a general character, as distinguished from those of a local character, such as the common defense and the conduct and management of all international matters. All local questions were expressly reserved by the Federal Constitution to the States and the people, and, of course, none of those reserved powers can be exercised by the Federal Government.

The Federal Government has no authority except such as is conferred upon it by the Federal Constitution. The Constitution, among other things, authorizes Congress "to regulate commerce with foreign nations, and among the several States, and with the Indian tribes." This is the only power that is conferred upon the Federal Government in relation to commerce or matters pertaining thereto, and that power, in so far as it affects interstate commerce, was made Federal for the purpose of guaranteeing the absolute freedom of traffic among the people of all the States. It was feared at the time of the adoption of the Constitution that the States, prompted by selfishness, might establish barriers against the commerce of other States and enact such hostile regulations as would separate them into as many independent commercial provinces as there were States in the Union. It was to provide against such an eventuality that the interstate-commerce provision was embodied in the Constitution. Under its operation the Federal courts have, in numerous instances, set aside and declared invalid State regulations that in any way materially affected interstate commerce, and that provision of the Constitution is generally recognized as one of the most important of all the provisions in that instrument. It is the bond of Union that has made this entire country a commercial unit, with absolute freedom of trade among all the people in all the States and Territories.

All police laws and regulations were reserved to the States and the people, and by police laws and regulations I mean laws for the protection of the public health, the public morals, and the public peace. There is no express provision contained in

the Federal Constitution giving Congress authority to enact any kind of police laws or regulations, and if the Federal Government possesses any such authority it exists by implication to enable it to carry out the express powers conferred upon it by the Constitution.

It may be that if the founders of the Government could have seen into the future and could have realized the fact that many questions of a character that vitally affects the public morals and the public health would become general in their operation, the power of the Federal Government might have been enlarged so that it would have embraced them. Many of the people believe that the Federal Government ought to be authorized to enact uniform laws upon the subject of marriage and divorce, a question that lies at the very foundation of our civilization; but every citizen of the country knows that it has no such power. Many also believe that the Federal Government ought to have authority to regulate the subject of insurance, and, prompted by the disclosures made in recent life-insurance investigations in the State of New York, the President, in his annual message to Congress last December, recommended Federal legislation and control of the subject of life insurance. The question was submitted by this House to its Committee on the Judiciary, a committee composed of eighteen of the ablest lawyers of the House, and after a thorough investigation of the entire question that committee reported that Congress had no power whatever to regulate or control insurance; that under the Constitution that power was reserved exclusively to the States.

There is considerable sentiment throughout the country in favor of amending the Federal Constitution so as to confer upon Congress authority to enact laws prohibiting the crime of polygamy in all the States and Territories of the Union. Everybody understands that no such power was conferred by the Constitution, and in the absence of an amendment to that instrument Congress has no authority in the premises whatever. It may be unfortunate that the power of Congress over matters of such general and vital importance is so limited, but we can only deal with the situation as it is and not as we would like to have it. If I had it in my power, I would probably favor such an enlargement of the constitutional authority of the Federal Government as would give it adequate control over the subject of meat and food preparation, because the subject is one of general interest, and not local to any State or Territory; but I do not have the authority to do so, and therefore must be content to deal with the question under existing limitations.

While there is no express power conferred upon Congress to enact police laws and regulations for the protection of the health, peace, and morals of the public, there is recognized by the courts a power by implication that is necessary to enable Congress to fully carry out the powers expressly conferred upon it by the Constitution. The only authority that Congress has over the food question is the commerce clause that I have referred to. Congress has no express authority to provide for the inspection of meats or other foods anywhere at any time; but it does have the incidental power to protect interstate and foreign commerce against abuse by those who would impose upon the public in the sale and transportation of impure and unwholesome foods and other things that are universally regarded as immoral or unfit for commerce.

The question arises, How far, in the exercise of that implied police authority, can Congress go in the inspection of meats and other foods? Its power is limited to commerce, and it can go as far as commerce extends and no farther. Commerce is traffic in commodities—that is, the buying, selling, and transportation of commodities, and where that traffic is between citizens of different States, so that transportation from one State to another is made necessary, or between citizens of this country and citizens of foreign countries, it becomes interstate and foreign commerce and is under the control of Congress. The authority of Congress is limited to the sale and transportation of commodities and does not include their manufacture or preparation for transportation or for the markets. The States have exclusive authority over manufactures and have exclusive power to adopt rules and regulations respecting the preparation of meats, foods, and other commodities for the markets and for transportation from one State to another. The authority of the Federal Government does not apply to commodities in the sense that it may make laws to control them until they actually become subjects of commerce, and that is when they have actually entered upon the course of transportation from one State to another or until they have been tendered to a common carrier for such transportation. At that time the authority of the Federal Government over commodities begins and the authority of the States ends. I repeat, the authority of the Federal Government does not apply to commodities which may be the subject of interstate commerce until they have entered into and become a part of such commerce; in other words, until they have actually begun the process of transportation from one State to another.

I make this declaration not alone upon my own interpretation of the powers of Congress under the Federal Constitution, but upon decisions of the Supreme Court of the United States and of other courts clearly and unequivocally settling the question and fixing the time when the power of Congress first applies to commodities that are to be the subjects of interstate or foreign transportation. The question is not whether we would desire to have the power to go beyond the limits fixed, but how can we best deal with the subject under the limitations imposed by the Constitution and defined by the Supreme Court of the United States, the highest tribunal in the land, the tribunal that must ultimately pass upon and determine the validity of any legislation upon this subject that Congress may enact.

I desire to repeat and impress upon the House and the country the proposition that the States have absolute control of the manufacture and preparation of meats, foods, and other commodities for the market and for interstate and foreign transportation, and that Congress is altogether devoid of power to control or regulate the manufacture or preparation of meats, foods, or other commodities intended for shipment or for the market until they have actually been tendered for transportation from one State to another or to a foreign country.

The Supreme Court of the United States, in the case of Coe *v.* Erroll (116 U. S., 571), laid down the doctrine as I have stated it. The court held in that case that the power of Congress did not apply to the property in controversy until it had started on its ultimate journey from the State in which it was located to the State of its destination. The case involved the power of the State of New Hampshire to tax a lot of logs that had been collected together and were awaiting transportation to another State. The logs had been cut in various parts of the State of New Hampshire and were assembled at a common point, to be transported into another State, and the local authorities assessed them for taxation. The question was whether the logs were under control of Congress as subjects of interstate commerce. The owner of the logs intended to send them to another State, and had them collected for that purpose, and he contended that they were under the control of Congress by virtue of the commerce clause of the Constitution, and therefore the State had no authority to assess them for taxation. On the other hand, the State authorities insisted that the logs did not become subjects of interstate commerce until they had actually started on their final journey to the State of their destination. It was admitted that if the Federal Government had control over the logs as interstate commerce the local assessment for the purpose of taxation was void, because the logs would have passed beyond the authority and control of the State. On the other hand, it was conceded that if they had not become subject to the control of the Federal Government they were liable to State taxation. The Supreme Court of the United States, in a unanimous opinion, held that the logs were not subjects of interstate commerce and could not so become until they had actually started on their ultimate journey out of the State. The court declared that the intention of the owner to transport the logs to another State did not affect the question in any degree; that the authority of Congress did not depend upon the intention of the owner or manufacturer of a commodity, but upon the status of the commodity. The court held that the logs not being subjects of interstate commerce were not subject to the operation of Federal laws, but were under local control, and therefore were subject to local taxation. In the course of the opinion the court said:

> The question for us to consider, therefore, is whether the products of a State (in this case timber cut in its forests) are liable to be taxed like other property within the State, though intended for exportation to another State, and partially prepared for that purpose by being deposited at a place of shipment, such products being owned by persons residing in another State. * * * There must be a point of time when they cease to be governed exclusively by the domestic law and begin to be governed and protected by national law of commercial regulation, and that moment seems to us to be a legitimate one for this purpose, in which they commence their final movement for transportation from the State of their origin to that of their destination.

This case clearly and unequivocally lays down the rule, applicable to all classes of commodities that may become subjects of commerce, that the authority of the Federal Government to exercise control over them does not begin until they have actually entered into commerce and begun the course of transportation from one State to another. That decision has been frequently quoted with unqualified approval in numerous other cases, and there is no longer any question, if there ever was any, that the Federal Government has no authority to enact laws or assume any kind of control over articles that may be designed

for interstate and foreign commerce until they are actually tendered for transportation.

The next case in which the Supreme Court decided the question was the case of Kidd *v.* Pearson. (128 U. S., 1.) That case involved a distillery in the State of Iowa. The State had a prohibitory law preventing the manufacture or sale of intoxicating liquors within the State. The distillery, operating in the State, was abated under the law of Iowa as a nuisance, and the owner of the establishment appealed to the Federal court for protection on the ground that it was manufacturing spirits, not for sale or use in the State of Iowa, but solely and entirely for the purpose of transportation and sale into other States, and claimed that the products of the distillery were subjects of interstate commerce and under control of the Federal Government and not the government of the State of Iowa. That was the vital question in the case. If the products of the establishment, expressly manufactured and designed for sale and transportation into other States, were under control of the Federal Government, the State law of Iowa would not apply to them, and the decree of the local court declaring the distillery to be a nuisance would be invalid.

The case was taken to the Supreme Court of the United States and the opinion of the court was pronounced by Justice Lamar, the decision being unanimous. The court held that commodities in the process of manufacture or preparation for the market or for interstate transportation were not subject to Federal control, but were exclusively under the control of the State in which the factory was located. The court further held that commodities did not become subjects of interstate commerce and under the control of Congress until they had actually been tendered to a common carrier for transportation into another State. The opinion is clear and unequivocal upon the question. In the course of the opinion the court said:

> The line which separates the province of Federal authority over the regulation of commerce from the powers reserved to the States has engaged the attention of this court in a great number and variety of cases. The decisions in these cases, though they do not in a single instance assume to trace that line throughout its entire extent, or to state any rule further than to locate the line in each particular case as it arises, have almost uniformly adhered to the fundamental principles which Chief Jsutice Marshall, in the case of Gibbons *v.* Ogden (9 Wheat., 1), laid down as to the nature and extent of the grant of power to Congress on this subject, and also of the limitations, express and implied, which it imposes upon State legislation with regard to taxation, to the control of domestic commerce, and to all persons and things within its limits of purely internal concern.
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> According to the theory of that great opinion, the supreme authority in this country is divided between the Government of the United States, whose action extends over the whole Union, but which possesses only certain powers enumerated in its written Constitution, and the separate governments of the several States, which retain all powers not delegated to the Union. The power expressly conferred upon Congress to regulate commerce is absolute and complete in itself, with no limitations other than are prescribed in the Constitution; is to a certain extent exclusively vested in Congress, so far free from State action; is coextensive with the subject on which it acts, and can not stop at the external boundary of a State, but must enter into the interior of every State whenever required by the interests of commerce with foreign nations or among the several States. This power, however, does not comprehend the purely internal, domestic commerce of a State, which is carried on between man and man within a State or between different parts of the same State. * * *
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> No distinction is more popular to the common mind or more clearly expressed in economic and political literature than that between manufactures and commerce. Manufacture is transformation—the fashioning of raw materials into a change of form for use. The functions of commerce are different. The buying and selling and the transportation incidental thereto constitute commerce, and the regulation of commerce in the constitutional sense embraces the regulation at least of such transportation. The legal definition of the term, as given by this court in County of Mobile *v.* Kimball (102 U. S., 691, 702), is as follows:
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> "Commerce with foreign countries and among the States, strictly considered, consists in intercourse and traffic, including in these terms navigation and the transportation and transit of persons and property, as well as the purchase, sale, and exchange of commodities."
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> If it be held that the term includes the regulation of all such manufacturers as are intended to be the subject of commercial transactions in the future, it is impossible to deny that it would also include all productive industries that contemplate the same thing. The result would be that Congress would be invested, to the exclusion of the States, with the power to regulate not only manufactures, but also agriculture, horticulture, stock raising, domestic fisheries, mining—in short, every branch of human industry. For is there one of them that does not contemplate more or less clearly an interstate or foreign market? Does not the wheat grower of the Northwest and the cotton planter of the South plant, cultivate, and harvest his crop with an eye on the prices at Liverpool, New York, and Chicago? The power being vested in Congress and denied to the States, it would follow as an inevitable result that the duty would devolve on Congress to regulate all of these delicate, multiform, and vital interests—interests which in their nature are and must be local in all the details of their seccessful management.
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> It is not necessary to enlarge on, but only to suggest the impracticability of such a scheme, when we regard the multitudinous affairs involved and the almost infinite variety of their minute details.
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> It was said by Chief Justice Marshall that it is a matter of public history that the object of vesting in Congress the power to regulate commerce with foreign nations and among the several States was to insure uniformity of regulation against conflicting and discriminating State legislation. See also County of Mobile *v.* Kimball, supra, at page 697.
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> This being true, how can it further that object so to interpret the constitutional provision as to place upon Congress the obligation to exercise the supervisory powers just indicated? The demands of such a supervision would require, not uniform legislation generally applicable throughout the United States, but a swarm of statutes only locally applicable and utterly inconsistent. Any movement toward the establishment of rules of production in this vast country, with its many different climates and opportunities, could only be at the sacrifice of the peculiar advantages of a large part of the localities in it, if not of every one of them. On the other hand, any movement toward the local, detailed, and incongruous legislation required by such interpretation would be about the widest possible departure from the declared object of the clause in question. Nor this alone. Even in the exercise of the power contended for Congress would be confined to the regulation, not of certain branches of industry, however numerous, but to those instances in each and every branch where the producer contemplated an interstate market.
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> These instances would be almost infinite, as we have seen, but still there would always remain the possibility, and often it would be the case, that the producer contemplated a domestic market. In that case the supervisory power must be executed by the State; and the interminable trouble would be presented that whether the one power or the other should exercise the authority in question would be determined, not by any general or intelligible rule, but by the secret and changeable intention of the producer in each and every act of production. A situation more paralyzing to the State governments and more provocative of conflicts between the General Government and the States and less likely to have been what the framers of the Constitution intended it would be difficult to imagine.

The decision affirmed the doctrine laid down in the case of Coe *v.* Errol and made quite clear the distinction between commerce and manufacture. Congress has no control over the subject of manufacture. That belongs to the States exclusively. The power of Congress does not obtain until the commodity actually becomes a subject of commerce, and that is when it is tendered for transportation from one State to another.

The next case upon this question is that of the United States *v.* E. C. Knight Company (156 U. S., 1), and it is a most interesting and instructive one. The E. C. Knight Company was indicted, with a number of other parties, for violating the Sherman antitrust law. The indictment charged that the defendant company and others, located in the States of New Jersey, New York, and other places, had entered into a combination for the refining of sugar, by the terms of which a limit was placed upon the output of each one of the establishments. It was further charged that the constituent companies in the combination refined three-fourths of all the sugar consumed in the United States east of the Rocky Mountains, and that it vitally affected interstate commerce. These facts were admitted and the case was taken to the Supreme Court of the United States, where a decision was rendered in favor of the defendants on the sole ground that the refining of sugar for the market or for transportation was manufacture and not commerce. Chief Justice Fuller rendered the opinion and he took occasion to clearly mark out the limitations upon the power of Congress and the distinction between manufacture and commerce. He declared that manufacture was not commerce within the sense of the Constitution, although it was necessary to commerce; that the power of Congress did not apply to the manufacture or preparation of commodities for the market or for transportation; that Congress had no control over commodities until they actually became subjects of commerce, and that was when they were tendered to a transportation company for shipment into another State. The court expressly declared that prior to that time Congress had no authority whatever to legislate in relation to commodities or to regulate or control the manner of their production; and, therefore, held that while an unlawful trust existed it was not subject to the control of Congress. In the opinion in this case the court declared:

> The fundamental question is whether, conceding that the existence of monopoly in manufacture is established by the evidence, that monopoly can be directly suppressed under the act of Congress in the mode attempted by this bill.
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> It can not be denied that the power of a State to protect the lives, health, and property of its citizens and to preserve good order and the public morals, "the power to govern men and things within the limits of its dominion," is a power originally and always belonging to the States, not surrendered by them to the General Government nor directly restrained by the Constitution of the United States, and essentially exclusive.
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> The relief of the citizens of each State from the burden of monopoly and the evils resulting from the restraint of trade among such citizens was left with the States to deal with, and this court has recognized their possession of that power even to the extent of holding that an employment or business carried on by private individuals, when it becomes a matter of such public interest and importance as to create a common charge or burden upon the citizen—in other words, when it becomes a practical monopoly, to which the citizen is compelled to resort and by means of which a tribute can be exacted from the community—is subject to regulation by State legislative power. On the other hand, the power of Congress to regulate commerce among the several States is also exclusive.
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> The Constitution does not provide that interstate commerce shall be free, but, by the grant of this exclusive power to regulate it, it was left free except as Congress might impose restraints. Therefore it has been determined that the failure of Congress to exercise this exclusive power in any case is an expression of its will that the subject shall be free from restrictions or impositions upon it by the several States, and if a law passed by a State in the exercise of its acknowledged powers comes into conflict with that will, the Congress and the State can not occupy the position of equal opposing sovereignties, because

the Constitution declares its supremacy and that of the laws passed in pursuance thereof; and that which is not supreme must yield to that which is supreme.

"Commerce, undoubtedly, is traffic," said Chief Justice Marshall, "but it is something more; it is intercourse. It describes the commercial intercourse between nations and parts of nations in all its branches, and is regulated by prescribing rules for carrying on that intercourse." That which belongs to commerce is within the jurisdiction of the United States, but that which does not belong to commerce is within the jurisdiction of the police power of the State. (Gibbons *v.* Ogden, 9 Wheat., 1, 189, 210; Brown *v.* Maryland, 12 Wheat., 419, 448; The License cases, 5 How., 504, 599; Mobile *v.* Kimball, 102 U. S., 691; Bowman *v.* Chicago & N. W. Railway, 125 U. S., 465; Leisy *v.* Hardin, 135 U. S., 100; In re Rahrer, 140 U. S., 545, 555.)

The argument is that the power to control the manufacture of refined sugar is a monopoly over a necessary of life, to the enjoyment of which by a large part of the population of the United States interstate commerce is indispensable, and that, therefore, the General Government in the exercise of the power to regulate commerce may repress such monopoly directly and set aside the instruments which have created it. But this argument can not be confined to the necessaries of life merely, and must include all articles of general consumption. Doubtless the power to control the manufacture of a given thing involves in a certain sense the control of its disposition, but this is a secondary and not the primary sense; and, although the exercise of that power may result in bringing the operation of commerce into play, it does not control it, and affects it only incidentally and indirectly. Commerce succeeds to manufacture, and it is not a part of it. The power to regulate commerce is the power to prescribe the rule by which commerce shall be governed, and is a power independent of the power to suppress monopoly. But it may operate in repression of monopoly whenever that comes within the rules by which commerce is governed or whenever the transaction is itself a monopoly of commerce.

It is vital that the independence of the commercial power and of the police power, and the delimitation between them, however sometimes perplexing, should always be recognized and observed, for while the one furnishes the strongest bond of union the other is essential to the preservation of the autonomy of the States as required by our dual form of government; and acknowledged evils, however grave and urgent they may appear to be, had better be borne than the risk be run, in the effort to suppress them, of more serious consequences by resort to expedients of even doubtful constitutionality.

It will be perceived how far-reaching the proposition is that the power of dealing with the monopoly directly may be exercised by the General Government whenever interstate or international commerce may be ultimately affected. The regulation of commerce applies to subjects of commerce and not to matters of internal police. Contracts to buy, sell, or exchange goods to be transported among the several States, the transportation and its instrumentalities, and articles bought, sold, or exchanged for the purposes of such transit among the States, or put in the way of transit, may be regulated, but this is because they form a part of interstate trade or commerce. The fact that an article is manufactured for export to another State does not of itself make it an article of interstate commerce, and the intent of the manufacture does not determine the time when the article or product passes from the control of the State and belongs to commerce.

This is one of the clearest and most instructive and decisive cases on the subject. It leaves absolutely no room for doubt. It so clearly fixes the delimitation between manufacture and commerce and the extent of the power of the Federal Government over commodities as to leave no doubt upon the subject whatever. The slaughtering of animals, the preparation of meats for the market and for interstate or foreign transportation in a packing house, the preparation of foods in a canning establishment, under the decisions of the Supreme Court of the United States is manufacture and not commerce. Congress has no authority whatever to make rules or regulations in relation to the inspection of animals, meats, or foods in slaughtering establishments or packing houses or canning factories, because they are then in the process of manufacture and have not become subject to Congressional regulation, and any law that Congress may enact providing for such examination or inspection is invalid and will not stand the test of the courts.

Mr. Tucker in his work on the Federal Constitution (vol. 2, p. 526) lays down the same doctrine in the following language:

> In regulating commerce, therefore, Congress regulates traffic in things, vehicles of transport, and things in transitu, but not the things themselves. Before and after the transitus they are beyond this power of regulation. The production and use of things in the terminus a quo and the terminus ad quem are not subjects of the commercial power, but of the law of the State or country from which and to which they are transported.

One of the Federal courts in the case of In re Green (52 Fed. Rep., 104), in discussing this identical question, said:

> When the commerce begins is determined not by the character of the commodity, nor by the intention of the owner to transfer it to another State for sale, nor by his preparation of it for transportation, but by its actual delivery to a common carrier for transportation or the actual commencement of its transfer to another State. At that time the power and regulating authority of the State ceases and that of Congress attaches and continues until it has reached another State and become mingled with the general mass of property in the latter State; that neither the production or manufacture of articles or commodities which constitute subjects of commerce and which are intended for trade and traffic with citizens of other States, nor the preparation for their transportation from the State where produced or manufactured, prior to the commencement of the actual transfer or transmission thereof to another State, constitutes that interstate commerce which comes within the regulating power of Congress; and further, that after the termination of the transportation of commodities or articles of traffic from one State to another and the mingling or merging thereof in the general mass of property in the State of destination, the sale, distribution, and consumption thereof in the latter State forms no part of interstate commerce. (Pensacola Tel. Co. *v.* Western Union Tel. Co., 96 U. S., 1; Brown *v.* Houston, 114 U. S., 622, 5 Sup. Ct. Rep., 1091; Coe *v.* Errol, 116 U. S., 517–520, 6 Sup. Ct. Rep., 475; Robbins *v.* Taxing Dist., 120 U. S., 497, 7 Sup. Ct. Rep., 592, and Kidd *v.* Pearson, 128 U. S., 1, 9 Sup. Ct. Rep., 6.) In the latter case the Supreme Court pointed out the distinction between commerce and the subjects thereof, and held that the manufacture of distilled spirits, even though they were intended for export to other States, was not commerce falling within the regulating powers of Congress.

I have reserved for the last of the decisions that I will cite upon this question the case of United States *v.* Boyer, reported in 85 Federal Reporter, 425. That was a case directly in point, and involved the validity of the present inspection law. Some twelve or fourteen years ago Congress passed a law directing the Secretary of Agriculture to inspect all meats and meat products that were designed for foreign transportation. There was much opposition to American meats in some foreign countries, and particularly in Germany, excited by the Agrarian party, upon the pretext that American meats were not officially inspected, and were impure and unwholesome. To meet this situation, and largely at the behest and for the benefit of the meat packers in this country, Congress passed the present meat-inspection law. That law requires the Secretary of Agriculture to inspect all meats intended for the foreign trade, and about 800 inspectors were appointed, and are, and have for the last six or eight years, been engaged exclusively in the inspection of meats in the packing houses. The law provides, among other things, a severe penalty for anyone who bribes or attempts to bribe an inspector. A number of inspectors were appointed for the packing houses at Kansas City, Mo., and Boyer attempted to bribe inspectors to accept unwholesome meats and authorize their shipment. He was indicted in the Federal court, and the case was tried before Judge Rogers, a United States district judge sitting as circuit judge for the western district of Missouri. He rendered an exhaustive opinion upon the law questions involved in the case, and decided that Congress had no power under the Constitution to provide for the inspection of meats in packing houses; that the slaughtering and the packing of meats was manufacture and not commerce, and the power of Congress did not apply to the meats until they were actually tendered for transportation; that the law providing for inspection in packing houses was absolutely invalid, and that inspectors who were engaged under an invalid law were in the performance, not of an official duty, but of a purely voluntary service, and it was not a crime to bribe or corrupt them, and the defendant was discharged. That decision is clearly in harmony with the decisions of the Supreme Court of the United States, and it unequivocally lays down the law that the Federal Government has no authority whatever to provide for the inspection of animals and meat in abattoirs or in packing houses or in canning establishments; that inspection and regulation in those establishments is exclusively under the control of the States in which they are situated, and that the owners and managers of those establishments can bribe and corrupt Federal inspectors with perfect impunity, as Congress has no authority to impose and enforce penalties against them.

Sir, it must be conceded that there can be no assurance of thorough and efficient meat and food inspection under a law which can not be enforced in the courts. The consumers of meats and other food products can not be safeguarded against fraud and imposition unless a rigid inspection of the sanitary conditions of establishments in which the meats and foods are prepared and a thorough inspection of the meats and foods themselves is made under the sanction of a law with adequate penalties, which can be enforced, to compel public officers to honestly and efficiently perform their duties and to protect them against bribery and corruption upon the part of those interested in the sale to the public of impure and unwholesome food products. I call the attention of the House and the country to the lack of power in Congress to provide adequate inspection of meats and other foods, not for the purpose of discrediting our system of inspection, not for the purpose of attempting to defeat any of the pending measures looking to that end, but for the purpose of showing the inherent weaknesses of Federal inspection.

It is true we have a meat-inspection law now and the Federal Government is expending nearly a million dollars a year for its administration. The law provides for the inspection only of those meats that are intended for the export trade, but in packing houses it is impossible to determine what meats will be sent abroad and what will be consumed in the United States, and therefore, to make sure that export meats are thoroughly inspected, the Secretary of Agriculture provides for the inspection of all meats prepared in packing houses. Not only that; animals are inspected on foot before they go into slaughterhouses, and those that appear to be out of condition are separated from the rest and given a careful examination by competent veterinarians. The meats of those that are slaughtered are afterwards carefully inspected and labeled, and meats that are put up in

cans are likewise inspected and labeled. This law was enacted primarily for the benefit of the packers, and secondarily for the benefit of the whole country. It was necessary that there be some official inspection of our meat products in order that they might find a market in foreign countries. The packers were vitally interested in the question, and they besieged Congress to have the law passed. They are its chief beneficiaries, and they have consented and are consenting to its administration, yet there is not one of them that does not know that he can exclude from his establishment every single Federal inspector any day he chooses to do so. There is not one of them that does not know that he can corrupt and bribe every Federal inspector in his establishment with perfect impunity. I do not believe the country will permanently acquiesce in a system of inspection which is conducted and carried on entirely at the sufferance or by the favor of the meat packers. Public security lies in inspection as a matter of right, as a matter of law; inspection that can be enforced under proper legal penalties, so consumers can be protected against the corruption not only of meats, but of meat inspectors as well.

Several measures have been introduced in the House for the more thorough inspection of meats and meat food products, but almost every one of them is predicated upon the theory of Federal inspection in packing houses and in canning establishments. The courts have uniformly held that Congress has no authority to provide such inspection; that penalties Congress may provide to protect the public against the corruption of officers in the discharge of such a duty can not be enforced in the courts. I voted for the measure reported by the Committee on Agriculture, not because I believe it to be valid and constitutional, for I do not, but because I believe that voluntary inspection—inspection made by the consent of the packers and the canners—is better than no inspection at all. I am not satisfied with it, but it is better than none. It will afford the public some protection, as every packer and canner in the country must know that he must secure for his products a reputation for purity and wholesomeness in order that they may find a market. There has been a great deal of criticism of the packers in recent months, and perhaps the criticism is deserved, but one thing can be said for them, and that is that they have not opposed the most rigid inspection that Congress can provide. They have opposed no measure on account of the thoroughness of the inspection that it provides in so far as I know. There is no reason why they should, because whatever law Congress may pass for factory inspection, they know that they need only obey such portions of it as they see fit and may disregard such provisions as they do not like.

But it is suggested that Congress, in the exercise of its power to regulate interstate commerce, may provide that no meat or other food product shall be accepted by an interstate or foreign carrier until it has been inspected in the slaughterhouses or in the factories by Government inspectors, under rules and regulations established by the Secretary of Agriculture. Gentlemen who make that suggestion admit that Congress has no authority to provide inspection in packing, canning, and similar establishments, but they say Congress can refuse transportation to products, and thereby compel the packers to consent to that kind of inspection. It is a well-settled rule of law that a thing which can not be done directly can not be done by indirection. The States have authority to make rules and regulations for the manufacture and control of articles intended for commerce within their respective dominions, but they do not have power to use their local police authority in such a manner as to affect interstate commerce. The Supreme Court of the United States, in numerous instances, has set aside State police and tax laws that operated in such a manner as to affect or regulate interstate or foreign commerce.

On the other hand, the rule is equally well settled that the Federal Government can not use its power to regulate interstate and foreign commerce in such a manner as to affect the subject of the manufacture or preparation of commodities for the market or for commerce, because the manufacture or preparation of commodities is exclusively in the power of the States. The rule operates both ways, and each government is supreme within its own authority. While a law of the character mentioned might be enacted and the packers and food makers might consent to its enforcement in their respective establishments, yet if any one of them should bribe or corrupt an inspector while he is engaged in the inspection of meats or foods he could not be prosecuted in the courts for his misconduct.

But, sir, it is insisted that, since it would be impracticable to inspect food products, and especially canned foods, after they enter into interstate commerce, the power arises by necessary implication to provide inspection in packing houses and canneries, for otherwise the right of inspection would be a mere fiction. It must be kept in mind, however, that the Federal Government has no express authority to inspect commodities for interstate transportation at all. If it had that authority, there would be undoubted force in the argument, but its power is confined to the regulation of commerce, and the right to provide inspection at all arises by implication from the commerce power. Commodities must enter the channels of commerce before the Federal Government has any authority over them whatever, and the right to inspect foods pertains to them as subjects of interstate commerce only.

The doctrine of implied powers under the Federal Constitution is well defined. Powers may arise by implication only so far as it is necessary to fully carry into effect the express powers contained in the Constitution, and food inspection is not one of the express powers. It arises by implication as an incident to the power to regulate commerce and must be a part of commerce itself. Authority is never implied for the purpose of amplifying any power that exists only by implication. The right of the Federal Government to inspect foods exists only as an incident of interstate and foreign commerce, and the right to inspect foods while in the process of preparation and before they become subjects of commerce can not exist by implication, for it is one degree too remote.

The division of power between the Federal Government and the States is so nicely adjusted that there can be no conflict of authority. Each is supreme within its own sphere and neither can encroach upon the authority of the other. If a carload of cattle is shipped from the State of Kansas to the stock yards at Chicago, the cattle are under Federal control from the time they are tendered for shipment until they are delivered to the consignee at Chicago. They then pass under the control of the State of Illinois and remain under that control until they are again tendered for shipment, in the form of meat it may be, to another State or to a foreign country, when they again pass under Federal control, and so remain while in process of shipment.

If Congress can provide inspection of meats in abattoirs and packing and canning establishments and regulate the arrangement and sanitary conditions of the places of preparation, by virtue of the same doctrine it would have the power to regulate the breeding and feeding of animals on the farm and the cultivation and harvesting of fruits, vegetables, and all other products that may go into interstate and foreign commerce. That doctrine would federalize every productive industry, destroy the autonomy of the States, and overthrow that political equilibrium in our dual system of government which is at once the wonder and admiration of scholars and statesmen in all parts of the world.

Our theory of government reposes the police power in the States. State laws protect the lives and the property of the citizens. They provide for the sale and transfer of property, for the inheritance and transmission of estates—all of the things that relate directly to person and property are under the control of State legislatures. The laws that are proposed for the inspection of meats and other foods do not purport to provide inspection for foods that are to be consumed in the States where they are prepared, because nobody pretends that Congress, either directly or indirectly, may do that. The consequence is, under the operation of any of the bills proposed, if a citizen desires to procure foods that he knows have been inspected under the authority of Federal law, he must secure those that are manufactured and prepared in another State. The result is obvious—that a meat packer, who has on hand any meats that are impure or unwholesome, will not submit them for Federal inspection and will not tender them for shipment out of the State, but if he disposes of them at all he will sell them to the people of the State where they are prepared. It is manifest that the people of the several States can secure no kind of protection against impure and unwholesome foods prepared by establishments in their own States, unless it be under State law. The only rational conclusion is that the whole subject of meat and food inspection must ultimately be taken up and handled by the States. It is said, of course, that inspection laws in the States will not be uniform. Suppose they are not. If each State enacts a satisfactory sanitation and food-inspection law and provides a careful and thorough inspection of all foods of every kind and description prepared in food establishments within its own borders—and this must be done for the protection of its own inhabitants—the food for the entire country and for export will have been properly inspected and safeguarded. I repeat that the States will be compelled to inaugurate thorough inspection and sanitary food systems. They must do it for their own protection, and when they adequately protect themselves against impure and unwholesome foods manufactured within

their own borders, they will have protected every patron of their food establishments wherever he may be.

And, sir, in addition to the sanitary phase of this question is its economical phase. If the States do not provide adequate safeguards to protect their citizens against impure foods prepared within their respective borders, their citizens will be compelled to buy foods from other States that must be inspected under Federal law. Unless each State provides regulations to protect its own citizens against impure meats, slaughtered and prepared within its own borders, the large packing houses will drive every local butcher in the country out of business and all the meat consumers will be supplied by the "beef trust." In numerous towns throughout the country the people depend upon the local butcher for their meat supply, but the permanence of the local butcher as a factor in the numerous small communities in the several States will depend upon local meat and food inspection laws. The packers are looking for a large increase in their business as a result of Federal inspection. They expect soon to supply meats to all the small communities in the country. The Chicago Tribune, in an editorial on the 21st instant, said:

> The packing-house campaign seems to be about over, although there are Senators who object strongly to some of the features of the House substitute. Before long there will be a thorough inspection of the output of the great packing plants and of their sanitary condition. That will restore confidence at home and abroad. In a short time the groundless accusations against the integrity of American meats will have been forgotten and they will sell as readily as ever. Hereafter "the man with the muck rake" will be unable to find anything that will reward his labor. It may be taken for granted that the packers, after the experience they have had, will cultivate cleanliness with morbid care.
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> The commotion which has been raised over conditions in Chicago abattoirs has been costly to the packers and to the live-stock men, though the losses of the latter probably have been exaggerated and would have been inconsiderable if the packers had submitted quietly to the inevitable, instead of making a protracted struggle to mold the new legislation to suit themselves. But in the long run the packers will be the gainers by the legislation which has been forced upon them. Under the new system they will be able to ship out of the States in which their plants are situated only meats which have passed a rigid Government inspection. The consumer will be likely to buy meat whose quality is certified to rather than that which comes from local slaughterhouses. The Garfield report showed that there are many towns where the bulk of the trade is monopolized by local butchers.

That great paper has already started the crusade against the local butcher. While he monopolizes the meat trade in many towns now it is only a question of time until he will be completely superseded by the large packers unless the States bestir themselves and see that his products are given as ample assurances of purity and wholesomeness as it is proposed to give the large establishments that do an interstate business.

The States have the power and carry the responsibility of protecting the public against imposition in the way of unwholesome foods, but many of them appear to be utterly indifferent in relation to that duty. They should be aroused to a sense of their responsibility. A campaign of agitation and education should be set on foot and the people of the States should thoroughly understand that they can only secure full and plenary protection through the action of State legislatures. As long as Congress undertakes to provide protection for the public in the line of meat and food inspection the States will assume an indifferent attitude in relation to the subject. It is natural for them to shirk the responsibility and obviate the expense necessary to a complete and thorough sanitary and food inspection policy, but the responsibility is theirs. They can not escape it. They have the power and the Federal Government has not. The States can provide for a thorough inspection of every packing and food establishment within their several borders. They can appoint competent inspection officers. They can punish the officers for bribery and corruption. They can protect them against the corrupting influences of dishonest food producers. The power and responsibility is with them, and with them alone, and it is high time that the people of the country understand the real situation. Influences should be set on foot that will secure thorough and efficient action on the part of the States. The municipalities are likewise clothed with power to enforce sanitary laws. The local authorities in the city of Chicago carry more responsibility for the unsatisfactory condition that prevails in the packing houses at that place than does the entire Federal Government. They have the means, they have the authority, they can enforce the law. The Federal Government can only investigate and regulate sanitary conditions in packing houses and inspect the meats therein by the consent of the packers. The States and the cities can enforce sanitation and inspection, and there can be no feeling of security until that work is thoroughly done by officers who are amenable to adequate penalties of a criminal law.

There have been upward of 180 Federal inspectors in the packing houses at Chicago for the last several years. They claim to inspect every animal on the hoof before it is slaughtered; they claim to inspect all of the carcasses of the slaughtered animals and to inspect all the meats that are canned in those great institutions. They are constantly in and about the slaughterhouses, the packing houses, the canning establishments, and, in so far as the public is concerned, the first intimation the public had of the unsanitary condition that is said to prevail there came through the book called "The Jungle," written by Mr. Sinclair. It was an accidental discovery. If Sinclair had not written, it may be that the public would not have known to this time, and possibly never, the real condition of things in the Chicago packing houses. What have the 180 Federal meat inspectors in those establishments been doing all these years? Is it possible that such a condition of things as that described in the Reynolds-Neill report has existed under the very noses of these Federal officers and they have made no complaint about it? If they have made any such complaint, it has not come to the public. One of two things is true—they have either been grossly negligent of their duty to the public or the conditions in the packing houses in Chicago have been greatly exaggerated. The Secretary of Agriculture has absolute authority to provide rules and regulations for the inspection of animals and meats in those establishments. This is Federal inspection!

The difficulty is in the character of the work. It can not be enforced by legal penalties. It is done only by the consent of the packers, and I desire to impress upon the House and the country that there can be no adequate protection to the public under such a system of inspection.

There should be a thorough inspection of all meats from "the hoof to the can," and that inspection should be by officers who are appointed under authority of law and are subject to adequate penalties; that inspection should be by officers who can be protected by penal laws against corruption by interested parties; that inspection should be by officers who are competent, who are skilled, and who are honest and trained, and such inspection can only be under State authority.

The Federal Government may pass laws prohibiting the transportation of impure or unwholesome meats by interstate or foreign carriers. It might possibly provide for a system of inspection of all meats and other foods that are the subject of interstate commerce, but that inspection could not be made under authority of law until the meats and foods actually became part of commerce, and that is when they are tendered for transportation. It is said, and doubtless with truth, that such inspection would be impracticable. If it be so, then the Federal Government has no authority to provide practicable inspection of meats and food products tendered for interstate and foreign transportation. The Federal Government has no authority to prosecute men who combine in unlawful assemblies and lynch citizens of the United States. It has been said in the way of reproach that this Government can protect its own citizens in every country under the sun but this. The protection of American citizens against mob violence is entirely beyond the power of the Federal Government. It rests exclusively within the power of the States. It is just as serious an offense for one to deliberately poison a source of water supply in a city as it is to sell impure meats; and yet the Federal Government can offer no remedy. The remedy rests exclusively with the States, and if it be impracticable for the Federal Government to provide for an inspection of meats and other foods after they become subjects of commerce, the Federal Government is without power to provide for practical inspection, and the sole duty and responsibility rests with the States.

In these remarks I have endeavored clearly and fearlessly to explain the situation that confronts us to-day, to show to the Congress and the country that the Federal Government is without power to provide adequate inspection, and that the duty and the responsibility is with the States. As I said at the outset, it is not a question of what we desire, but it is a question of what we can do. If Congress does not have the power to make proper meat-inspection laws, of course it can not make them. It is in the same attitude in relation to meat inspection as everybody knows it to be in respecting its lack of ability to regulate insurance, marriage and divorce, and a great many other things of that character. We can enact into law one of the bills that have been proposed, and doubtless derive much benefit from it, but let us not lapse into a sense of security until the world may be shocked by horrid disclosures of the wholesale bribery and corruption of Federal inspectors and the wholesale unloading upon the public of disease-breeding foods. Let the States take the matter up in the right spirit and cooperate with the Federal Government to place American meats and other prepared foods in a position that is unassailable.

Railroad Rate Legislation.

SPEECH

OF

HON. JACOB RUPPERT, JR.,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, June 28, 1906,

On the bill (H. R. 12987) to amend an act entitled "An act to regulate commerce," approved February 4, 1887, and all acts amendatory thereof, and to enlarge the powers of the Interstate Commerce Commission.

Mr. RUPPERT said:

Mr. SPEAKER: In my opinion no more important bill has ever been introduced into this House than the bill to regulate the rates of the various railroad companies of the United States, and thereby break up a most intolerable system of rebates and discriminations. It is a bill in which every shipper of the country is interested and one demanded by the almost unanimous voice of the people of the entire country. The contention has been rife for years between the railroad companies on the one hand and the people on the other. Powers conferred on the Interstate Commerce Commission by the act of February 4, 1887, have been tested time and time again before the highest courts of the country, only to leave the people at last more absolutely without protection, only to tighten the grip of the railroads on the shipping interests, and to demonstrate that our previous legislative effort to correct the evil was but a most lamentable failure. In addition to the inherent weakness of the law is to be added the failure on the part of a Republican Administration to execute its really good features.

In the last session of Congress an effort was made to enact a more stringent law, a law that would surely prove a corrective for the outrageous system of railroad discriminations in the interest of favored shippers and classes. It was my privilege to vote for that bill, and I am glad that this House registered itself as overwhelmingly in favor of its passage. The bill failed, however, to meet the favor of the Senate, and did not become a law.

During the recess of Congress the salient features of the Townsend-Esch bill were made the subject of agitation throughout the country and the principles of rate legislation widely discussed in newspapers and by speakers of both parties. The railroads prepared a great mass of literature, attacking not only the principle of rate making by any commission, but especially by the Commission so long discredited by them before the country. These people issued propaganda which said:

> The traveling and shipping public has not asked that the Interstate Commerce Commission, or any other governmental agency, be endowed with rate-making power, but the demand comes from the Commission itself, although in recent years that body has notoriously failed to enforce the laws now in existence, laws adequate to remedy any actual abuses, and to punish those responsible for them.

Many pamphlets and books were issued by the railroads and scattered broadcast through the country trying to minify the nature of the demand for the legislation and to cast further odium upon the Interstate Commerce Commission. But despite all this, the demand for rate revision grew in magnitude, and at the beginning of this session was made the principal subject in the message of the President of the United States.

The railroad-rate bill, known as the "Hepburn bill," was quickly passed by this body and sent to the Senate. That body, after months of discussion, passed the bill with various amendments. The bill and amendments were sent to conference, and, after considerable agitation and discussion, the conferees agreed upon the measure which is now before us.

I was in favor of the original bill, and voted for it. I am in favor of the conference report, and congratulate the country upon the final consummation of this question and the ushering in of the new era of fair rates, fair treatment, and fair business.

This bill, while not perfect by any means, promises fair and reasonable rates. A fair and reasonable rate is all that the people demand, and anything less than this they will not have.

With a fair and reasonable rate, pronounced by a nonpartisan Commission and reviewed by a nonpartisan court, the railroad companies can not complain. It is fair to them and it is fair to others. More than this no one can reasonably ask.

This bill absolutely prohibits the selling of a fair and reasonable rate for less than its face to any body of favored shippers or any body of favored men. It makes it possible for every railroad to collect a fair and reasonable rate, and prohibits the sale of that rate for less than its cost. A fair and reasonable rate gives the railroads a fair and reasonable profit, and in equity, a corporation, especially a public-service corporation, is a general public trustee, and therefore is without right to sell its rate for anything less than the fair and reasonable profit insured by this bill.

This bill, for the first time in the history of legislation in the United States, makes possible a railroad rate that shall be just to the public and just to every locality. It makes it impossible for one rival to be pitted against another and for one locality to be built up at the expense of another. Lower charges for smaller services will no longer give prosperity to one class or community and disaster and ruin to another. No town of substantially similar natural conditions and advantages can be made to pay tribute to another town of equal or lesser natural conditions and advantages. The bill requires railroads to be just in all their charges and strikes down the system of rebates and artificial discriminations by which they have for so long collected unjust, unlawful, and extortionate rates.

Under this bill Congress has effectually protected the shippers, the consumers, and the producers against the injustice of unfair and unreasonable freight rates, and against the more unjust practice of favoritism and discrimination. If it did nothing more than this, it would be a distinct addition to railroad rate legislation and would be entitled to the commendation of all parties and of the whole people.

But it does more. It takes hold of the free-pass evil and regulates it effectually. Hereafter the scandals growing out of free transportation to State and national officials and to various political organizations will be impossible. Under this bill passes may be issued to the employees of railroad companies and their families, to its officers, agents, surgeons, physicians, and attorneys; to ministers of religion and certain other excepted and named classes, but to no one else.

By this feature of the bill an admitted evil is corrected. Corporations have attempted to influence legislation by unfair and dishonorable methods. Money has been used by them with lavish hand to fasten upon the country a system of legislation favorable to corporate power, but inimical to the interests of the people at large. The indiscriminate use of free transportation to officials and men of great political prominence was the insidious method adopted by the railroads to attain their ends. Whether the free pass to certain officials be objectionable or not, it is certain that its use had been abused, and that corrupt railroad men and corrupt officials used it as means to attain unlawful ends. The conscience of lawmakers was thoroughly aroused, and it was decided that the free pass to men connected with State and national legislation must go. This bill strikes down this objectionable practice.

By this bill it is unlawful for any railroad company to transport commodities produced by itself, excepting lumber and its manufactured products. This limits the business of railroad companies to that of common carriers and makes it impossible for them to destroy the business of other men in other lines by using their railways as agencies to forward their own wares. Railroads can not own coal mines and carry their own coal to the injury of other mine owners and the public at large.

The public posting of all schedules of joint rates, fares, and charges where the joint rate is made up of rail and pipe or rail and water, and where no through rail and water rate is provided that so much as is covered by rail shall be posted, is a wise provision in the interest of publicity. This bill attempts to correct the long and tedious court reviews, which, under the old law, made remedial legislation impossible. No injunction, order, or decree may be had suspending the order of the Commission, except on hearing after notice of five days; no appeal can be taken where an injunction is denied, and when granted can only be taken to the Supreme Court of the United States within thirty days after the entry of the order or decree.

The public has ample protection against the old forms of court delay and the iniquitous engine of injunction without notice.

By this law the courts will only interfere to settle the two questions: First, whether the Commission has transcended its authority, and, second, whether the rate fixed by the Commission is confiscatory. Upon all other questions the decision of the Commission is final, and that body is at last clothed with authority to make its decisions conclusive.

And in all good conscience, why have a commission if its every act is subject to injunction, if its every order is to be subject to the ingenuities of railroads, whose principal weapon has heretofore been the prolongation of the legal combat and the interminable delay which enabled them to practice their extortions while seemingly testing their right?

What I desire is effective legislation that will cure existing

ills without inflicting injury upon anyone, and this end has been attained, I think, in the present bill.

It had the unanimous support of the Committee on Interstate Commerce, composed of twelve Republicans and six Democrats, and passed this House by a vote of 346 to 7. It may be well called a "nonpartisan bill," since its recorded supporters are practically all of the membership of the two great parties on this floor. The House of Representatives is elected by the people, and it may be said, therefore, that this bill passed by the representatives of the people is a bill in the interest of 80,000,000 people, and is in no sense to be styled a "fake bill" or one passed in the interest of the railroads alone.

The legislation of this bill is identical with the legislation asked for repeatedly by the Interstate Commerce Commission.

The old law has been in force for nearly twenty years and every phase of its defects has been discussed upon every political rostrum of the country. Inferior and superior courts have repeatedly shown its impotency and the reports of the Interstate Commerce Commission have year after year teemed with recommendations looking to relief.

The Hepburn bill, unanimously recommended by the Committee on Interstate Commerce of this House, and almost unanimously passed by this House, was a great stride toward a righteous end. I have no regrets for the vote cast by me upon the final passage of the bill. I desired relief from unjust railway rates, and voted for the measure because I thought it granted that relief.

Since that vote the Senate has treated the bill to a most exhaustive analysis, and has amended it vitally, without weakening any of its provisions. In fact, the amendments of the Senate have made the measure more drastic than it was before.

The final report of that committee is before us and in a short time this bill will become a law. I shall vote for it, and believe that it will pass this body with the same unanimity that was accorded the original bill.

We can not get all we want, nor can any bill be passed that will correctly register our separate opinions upon all of its provisions. Nor can any bill be passed that will be perfect in all its terms.

The old interstate-commerce law of 1887 has proven to be defective, and there will doubtless be defects in the law we are now framing. But the glaring defects of the law of 1887 will not be found in the law of 1906.

We shall not have an impotent commission. We shall not have a commission powerless to do what we authorize it to do. The law of 1906 will give us a commission of dignity and will confer upon it that power which the Supreme Court of the United States declared had not been conferred by Congress, but which the same court declared Congress had the right to confer. There will be no misunderstanding about this law, and the Interstate Commerce Commission will begin its real work at once with the right and power, when complaint is made, to fix just and reasonable rates, which, subject to a court review as to their confiscatory nature, shall go into effect at once.

The power conferred is thought to be ample; the mode of investigation is complete, and the penalties enacted are severe. In other matters aside from rates, the bill bristles with regulations, all limiting the powers of the roads, magnifying the power of the Commission, and more completely safeguarding the interests of the people.

The friends of the bill have not been actuated in their action by any antipathy to railroads, nor do they seek to injure the railroads. They have no desire to cripple them or injure their growth throughout the country. We all know how transcendently great has been their influence in the development of every line of our national greatness. We need the railroads and are justly proud of the showing they have made.

The railroads are inseparably connected with every interest of the country. They enter every State and make possible that splendid commercial showing of which we are all so justly proud. They have contributed most largely to the development of our agriculture, our mining, and our manufactures. They have opened up the entire country, and have brought the East into close touch with the West, the North with the South. They have turned forests into productive fields, mountain fastnesses into treasuries of wealth, and have established a carrying trade which is the marvel of the world. Their greatness of wealth, the magnitude of the interests affected by them, and their influence upon the commerce of the country are best shown by the following facts:

The entire railroad mileage of the world on December 31, 1904, was 537,105 miles; the total mileage in the United States on June 30, 1905, was 214,477 miles, or about two-fifths of all the railway mileage of the world, and 25,000 miles more than the mileage of all Europe.

The par value of railway capital outstanding on June 30, 1904, in the United States was $13,213,000,000, or a capitalization of $64,265 for every mile of railway constructed in the United States.

The gross earnings of these railways for the year ending June 30, 1905, were $2,073,000,000, of which $572,000,000 were earnings from the passenger service and $1,449,000,000 earnings from the freight service. The number of passengers carried by railroads in the United States for the year ending June 30, 1904, was 715,419,682. The number of tons of freight carried during the same period was 1,309,899,165.

The total wealth of the United States according to the census of 1900 was $94,300,000,000. The commercial value of railway operating property according to the report of the Interstate Commerce Commission was, on June 30, 1904, approximately $11,000,000,000, or about one-ninth of all the wealth of the United States. To legislate flippantly with an interest of this magnitude would be very foolish indeed, and those who favor this bill do not think that the bill in any of its provisions will injure that interest or interfere with the profitable management of the roads in the interest of their stockholders. But it is notorious that while the railroads constitute one of the greatest interests of the country, and form a prominent factor in the creation and development of our national wealth, it is also notorious that they have done many things for their own interests which have militated against the interests of all the other people. They have not given fair and equal treatment to every American citizen; they have given rebates of freight charges to one class of people and have denied them to another; they have discriminated wrongfully between the individual patrons and between communities, and have created a condition which is obnoxious to the people. All this is wrong, and this bill is an effort on our part, a step, as it were, in the direction of making them do the right thing in this particular. Nor, with the best lights of the situation before us, have we been able to see that the provisions of the bill will in any manner cripple the growth of the roads.

The railroads still have the right to fix their rates. This bill gives no general right to the Commission to enter upon the question of original railroad rates. The railroads fix their rates as before, and upon complaint made by any shipper, and upon complaint alone, the Commission takes up the question and decides finally upon the complained rate. Thus the matter of disputed rates, a matter which has always been a most troublesome one, is definitely placed for decision in the hands of the Interstate Commerce Commission, with the additional authority that the rate fixed by the Commission shall be final, unless the Supreme Court of the United States shall decide that the rate fixed by the Commission is confiscatory, or, in other words, takes the property of railroad companies without due process of law. The bill then makes it unlawful to deviate from the prescribed rate. This method is one for the settlement of disputes between shippers and carriers without expense to either, and can not seriously cripple railroad development.

This bill gives an equal chance to every business man in transactions with carriers, and this can not injure railroad interests.

These companies have invested billions of dollars in railroads and no one desires that they shall not have a fair and reasonable profit. This bill will not interfere with the making of such a profit.

The people of this country pay annually more than $2,000,000,000 in freight and passenger rates. This bill takes away from these railroad companies, dominated by the traffic managers of six or eight systems, the right to dictate to the American people what rates they shall pay and the power to force the American people to acquiesce in those rates however unreasonable and unjust they may be.

And it is right that this power should be taken from them and lodged in a popular tribunal authorized to act upon complaint. Nor will this injure or cripple railroad development or growth.

It is fair that the farmers, the merchants, and the manufacturers, who pay each year more than $2,000,000,000 in rates to railroad companies, should have some voice in determining whether these rates are just and reasonable. This bill gives the traffic managers the right to fix their rates, as of old, but also gives the Interstate Commerce Commission, upon complaint, the right to investigate each complained rate, and if found unjust and unreasonable to fix a just and reasonable rate which shall bind the railroads.

Is it unfair for the American people to provide a tribunal

clothed with ample power to protect them against extortion; or is it fair to permit traffic managers to exact rates that will cripple and destroy the business interests of the country, leaving the American shipper—the farmer, the merchant, and the manufacturer—without any remedy?

Such conditions are preposterous, and their mere statement carries their refutation. The regulation carried by this bill is right, and I congratulate the people that it is so soon to become a law.

Railway corporations, aided by the steel trust and the Standard Oil, have been able to dominate and control almost every interest of the country. They can destroy a competitor's business in a single day. They can control national campaigns, elect governors and State legislatures. They have a tremendous power, but should remember that the people when aroused have a power transcendently greater than the power of all corporate wealth, and they should also remember that the people demand this law.

Public sentiment is waking up to the thought that all shippers should have equal chances and that every man should have a square deal. Unjust discrimination in railroad rates affects the prices of all commodities, and thereby the whole scale of American living. It is our duty to protect the weak against the strong and powerful, and I cheerfully support this bill.

The Public Lands—Their Management and Administration.

SPEECH

OF

HON. F. W. MONDELL,

OF WYOMING,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, June 27, 1906.

The House being in Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 20403) making appropriations to supply deficiencies in the appropriations for the fiscal year ending June 30, 1906, and for prior years, and for other purposes—

Mr. MONDELL said:

Mr. CHAIRMAN: The item on page 71 of this bill, for protection of public lands, the necessity for which is clearly apparent, directs my attention to certain erroneous views which seem to be quite widely held as to the extent, character, and condition of the remaining public lands of the country, which probably inspired dispatches which have quite recently been sent broadcast over the country under a Washington date line to the effect that the Administration was considering the advisability of withdrawing the public coal and oil lands of the country from entry in order to prevent their acquisition and control by great corporate monopolies, and the comment thereon by certain newspapers.

I assume, Mr. Chairman, that the Administration has never seriously contemplated any such action as suggested in these dispatches. No doubt some misguided enthusiast has made such suggestion and it has been taken for granted by those not acquainted with facts and conditions that something of the kind might be done.

We all realize, of course, that the executive department of the Government has no authority to take any such radical action. The public land laws provide for the manner and the terms upon which the public land shall be disposed of, or for their reservation from entry for certain well-defined purposes. It is true that Secretaries of the Interior, charged with the administration of the land laws and general care and protection of the public domain, have from time to time reserved limited areas from entry in anticipation of contemplated action by Congress, or where for some reason the public interest demanded a temporary suspension of certain provisions of law over comparatively limited areas. But no Secretary has ever assumed authority to suspend the operation of land laws enacted by Congress operating over vast areas.

Not only is there no authority in law, and therefore I assume no serious intent in the Executive Departments, to take the action suggested; neither is there a condition warranting it were such action authorized. There has never been and probably never will be a thorough classification of the public domain with a view of determining the agricultural or nonagricultural, mineral or nonmineral character of all of the public lands. In fact, such a classification, except in the most general way, is entirely impracticable. The mineral or nonmineral, the coal or oil bearing character of the public lands can, in the vast majority of instances, only be determined by prospecting and development, and it often requires a very large expenditure to determine the mineral or nonmineral character, the coal or oil bearing character of particular lands.

The agricultural or nonagricultural character of lands, particularly in arid or semiarid regions, is a question of water supply of special cultivation, and can not be determined at any given time as to large areas, even by a careful examination. Lands popularly supposed to contain coal or oil in paying quantities may, as a matter of fact, be valueless for such purposes, but may be of some value for agriculture or grazing. Lands popularly considered as grazing or agricultural lands may prove to contain deposits of coal or oil or other minerals. Under our land system, the question of the character of lands, as determining the laws under which they may be acquired, is determined as to each particular tract when entry is made, and the system has worked well in the main.

No general classification of lands having been made, there is no way of determining just how much public land is underlaid with valuable coal and oil deposits, but the Geological Survey has estimated the coal area on the public lands at 45,000,000 acres, scattered from Mexico to Canada and from the Great Plains to the coast. To attempt an indirect repeal of the coal-land law, for the repeal of which I have never heard any demand, would necessitate the withdrawal from all entry of an area vastly greater than 45,000,000 acres, as there is no way of determining just what lands are coal lands. As for oil, no guess has, so far as I know, ever been made as to the acreage of public lands which may contain oil in paying quantities. In my own State of Wyoming the probability is that at least 25,000 square miles, or over a fifth of our territory, is underlaid with some kind of coal, while the surface indications of oil are found from the extreme northeast to the extreme southwest portion of the State, extending over thousands of square miles. To exclude all possible petroleum and coal lands from entry would necessitate the withdrawal of the greater portion of our 50,000,000 of acres of public lands, reserved and unreserved, from entry.

When we examine the entries under the coal and oil land laws we find but little ground for the fears of those who seem inclined to urge the executive department of the Government to suspend the operation of the land laws governing coal and oil entries. The sales of coal land last year were as follows:

State.	Entries.	Acres.	Amount.
Colorado	77	10,532.85	$118,525.40
Montana	2	119.60	1,492.00
New Mexico	17	2,275.46	28,754.60
North Dakota	11	577.88	11,157.60
Oregon	1	160.00	1,600.00
South Dakota	1	160.00	1,600.00
Utah	19	2,685.04	36,862.40
Washington	4	600.00	12,000.00
Wyoming	26	3,345.52	64,950.40
Total	158	20,456.35	277,492.40

From this table it will be seen that of the estimated 45,000,000 acres of coal lands on the public domain only about 20,000 acres passed into the hands of private owners last year, and this is considerably in excess of the average sales for a number of years past; at this rate it would take several centuries to dispose of our public coal lands. The fact is that the Government price for coal land—$20 an acre when the land is within 15 miles of a completed railroad and $10 an acre when at a greater distance—is so high that there have been very few instances where individuals or corporations have felt warranted in securing these coal lands much in advance of the actual requirements of trade. The area of lands which have been disposed of by the Government as oil land is almost insignificant, and at the present rate of disposition there will be a vast store of coal and oil lands on the public domain for a great many years to come.

It is possible that Congress may some day deem it wise to amend the laws relative to the disposition of coal and oil lands or their products, although there seems to be no present sentiment or necessity for any radical change of policy, but in any event, there is certainly nothing in the situation to arouse the fears of the people that the supply of fuel on the public domain will be exhausted either in the present or the immediate future, and certainly nothing to warrant the very extraordinary suggestion that the laws of Congress covering the sales of coal and oil lands should be set aside by Executive order. My personal opinion is that the fuel supply on the public domain is almost inexhaustible within any period of time that need be considered by the present generation, although it is true, of course, that in certain districts measures of limited extent will be worked out.

No one can make any sort of an intelligent guess as to how extensive valuable oil deposits on the public lands will prove to be. This must necessarily be a matter of more or less laborious and expensive development.

Turning from the consideration of these questions relating to coal and oil lands, I desire to call the attention of the House to certain matters relating to the public domain as a whole, particularly as to the extent and character of the same still remaining undisposed of and to the agitation for the repeal of certain land statutes.

AREA OF THE PUBLIC DOMAIN.

After more than a century and a quarter of national existence, during a large portion of which time our public domain was most lavishly granted to States and to aid in the construction of railroads and wagon roads and disposed of under exceedingly liberal laws to individuals, the United States is still the largest owner of real estate in the world, with the exception of Russia.

The total area of the public-land States and Territories, exclusive of Alaska (which contains 368,035,795 acres), is 1,441,503,865 acres. Of this area 808,295,475 acres have been disposed of, leaving 633,208,309 acres of public land, the title of which is still in the Government or in its wards, the Indians. Of this great area, however, 183,717,208 acres are included in Indian, forest, military, and other reservations and withdrawals, leaving 449,491,182 acres of unappropriated, unsold, and unreserved public lands, exclusive of Alaska.

We therefore have finally disposed of 56 per cent and still retain 44 per cent of our original public domain. If, however, we subtract from the grand total of lands still in Government ownership all reserved lands and take into account only lands open to general entry and disposition, we have remaining, as above stated, 449,491,182 acres, or a little less than a third of our original public domain. As considerable areas, however, of the so-called "reserved" or "withdrawn" lands are subject to entry under some one or more of the land laws, it is a fair statement to say that a trifle more than one-third of the original area of the public domain is still on the market and to be disposed of. The portion of our public domain remaining does not, however, compare in quality with the lands disposed of. Most of our remaining timber lands of any considerable value are now reserved from sale by being included in forest reserves, permanent and temporary, comprising 130,000,000 acres. The remaining portion of the public domain is largely arid or semiarid, and the major portion of this is nonirrigable. While under improved methods considerable areas of semiarid lands will be successfully farmed without irrigation, there are millions of acres which can only be utilized for grazing purposes.

While it is true that practically all of the first-class agricultural lands have been disposed of, it will be seen that Uncle Sam still owns and offers under the land laws enough land to make thirteen States the size of Iowa, and in addition, holds for forest-reserve purposes acres enough to make almost four States the size of Illinois, of which an area almost three times the size of that great State is in permanent reserves.

The unappropriated and unreserved public lands, thirteen times the area of the State of Iowa, subject to the various land laws, is that portion of the public domain of which I shall particularly speak. These lands lie all the way from Mexico to Canada, from northern Minnesota and western Kansas to the Pacific. They comprise almost every phase, variety, and condition of topography, soil, and climate known to the western half of the United States; and as, owing to these widely varying conditions, laws of general application are more or less misfits in certain localities, it is but natural that there should be considerable diversity of opinion as to the wisdom or unwisdom of these laws.

THREE GENERAL LAND LAWS.

We have now only three laws of general application for the disposition of the nonmineral public domain, to wit: The homestead law, the desert land act, and the timber and stone act. Under the homestead law we have disposed of more acres of the public domain than under all other land laws combined. It has been the most important as well as the most beneficial of our land statutes. While there has always been more or less evasion of some of its provisions, it has at all times tended steadily to the development of the country by the settlement of our lands in small tracts. While its provisions are not as well adapted to the conditions existing upon the remaining portions of the public domain as they were to the humid lands of the Mississippi Valley, still it continues to be an important and beneficial law.

The desert land law is the most carefully framed and exacting of all our land legislation, and where its provisions and the regulations under the law are even reasonably complied with the entryman is a public benefactor indeed, as he pays $1.25 an acre for land that in its raw state is practically worthless and nonproductive, and by his exertions must reclaim it and, in order to secure title, make it productive.

In 1878 the so-called "timber and stone act" was passed, applying to the States of California, Idaho, Nevada, Oregon, and Washington. In 1892 its provisions were extended to all of the public-land States, but not to the Territories. Under this law citizens of the United States or persons who have declared their intention of becoming such may purchase not exceeding 160 acres, at $2.50 an acre, of nonmineral lands, chiefly valuable for the timber and stone which they contain, but not fit for cultivation when cleared. The law was originally intended to provide for the sale of the timber land of the Pacific coast at what was considered a good price, as up to that time and in fact for some years later what were known as "offered lands"—that is, lands which had been offered at public auction and not sold—could be purchased for $1.25 an acre, and any nonmineral land could be obtained for $1.25 an acre under the provisions of the preemption law.

Not until 1882 did the sales under the law amount to 100,000 acres in any one year, but with the increased demand for public lands which began in the early eighties there was a considerable increase in the area disposed of under this law, although it only applied to the States of California, Idaho, Nevada, Oregon, and Washington. The amount entered per annum gradually increased until in 1890 it amounted to over 500,000 acres in the three States of California, Oregon, and Washington. Although the law as extended to the other public land States in 1892, the amount annually entered gradually decreased until it amounted to only 40,000 acres in 1897. From this time on there was a gradual increase in the number of entries until they reached a maximum of 12,249 entries, covering 1,765,222 acres in 1903. Since then the entries have again rapidly decreased, until in the fiscal year 1905 they covered 696,677 acres, or but little more than the area entered in 1890 in the Pacific coast States alone.

The demand for public lands is one of the best indexes of business conditions. In good times, when money is plentiful and the price of agricultural products high, the demand for public lands is brisk. In hard times the demand is limited. During the period of depression from 1895 to 1899 the acreage of entries under all of the public land laws was comparatively small, but with the return of prosperous conditions the demand for public lands increased very rapidly, reaching its maximum in 1903, since which time there has been a gradual decrease in the acreage of lands entered.

While the demand for public lands is, as I have stated, one of the very best indications of good times, there is a certain class of people that never fail to become panic-stricken whenever land entries and dispositions increase rapidly. Such was the case under Mr. Cleveland's Administration in the eighties, when it became fashionable to consider every man who sought to enter, locate, or secure title to public land as a suspicious character, who probably had sinister designs upon the welfare of the Republic.

With the increasing demands for public lands beginning about 1900, the clamor and agitation for repeal or modification of the land laws again started, and has continued with more or less vigor and persistence up to the present time. We have, moreover, witnessed of late a new element of agitaton for radical repeal legislation in the form of an active and aggressive organization plentifully supplied with funds, which, whatever may have been the intent and purpose of those who contributed to its support, has, by reason of the action of its chief spokesman and promoter, been a most vigorous and persistent advocate of the repeal or radical modification of practically all of our public land laws.

A rather convincing circumstance connected with this organized propaganda is contained in the fact that those who have contributed most largely to its support are the largest owners of lands in the United States, to wit, the land-grant railroads; and the chief apostle of this propaganda, in a hearing before the Committee on Irrigation of Arid Lands of the House of Representatives, when he was urging the repeal of the desert-land law, stated that he appeared on behalf of an association to whose funds six transcontinental railroads contributed annually $39,000.

It is but natural and to be expected that officers charged with the administration of the public domain should be impressed by any considerable increase in the entries of public lands and affected by the criticisms, honest or otherwise, of the workings of the land laws, which become most pronounced when lands are being rapidly disposed of, and this is especially the case when there are people who make it their business for interested or disinterested reasons, as the case may be, to attempt to man-

ufacture public sentiment and to influence the officers charged with the disposition of the public lands to suggest either radical modification or repeal. The activity of certain persons in influencing public opinion through the medium of the press and prominent public bodies like boards of trade, commercial organizations, and the like, by false and exaggerated statements, has been very marked, and I hope to refer more specifically to some of them before I conclude my remarks.

As to the timber and stone act, it is true that its repeal has been urged at various times by a number of Government officials. Bills for the repeal of this law have been before Congress for several sessions, but the Committee on Public Lands has invariably and by a goodly majority refused to report such bills for what are, in my opinion, mose excellent reasons, and these reasons I propose to discuss, and in the discussion I wish to have it understood that I have no disposition to criticise any public officials who have considered it their duty to recommend the repeal of this or other land laws. I simply desire to present arguments which seem to me to prove conclusively that the recommendations made have not been wise, and if carried out would be harmful in the extreme.

As a fair sample of the arguments advanced in favor of the repeal of the timber and stone act, I wish to refer to a report of the committee on irrigation and forestry of the National Board of Trade presented at its meeting in January, 1906. Of the gentlemen who constitute that committee on forestry and irrigation, none of them live in public-land States, and I doubt if any of them have any practical personal knowledge of the subject-matter treated of in this report. I quote it in part, because it contains some of the stock arguments in favor of the repeal of this law, as follows:

Much, however, remains to be done. The National Board of Trade has consistently advocated the saving of the great public domain for the use of the real home maker, as against the land and timber grabber and the speculator. Trade and commerce will increase as population increases, and our national land policy should be administered to preserve our remaining half billion acres of public lands for those who will build homes upon them. As laws which tend to overcome this policy the national board has continuously, since its meeting in January, 1902, urged the repeal of the timber and stone act, the commutation clause of the homestead act, and the desert land act, in accordance with the recommendations of the President in his annual messages to Congress.

The present indefensible land policy of the United States is resulting in an actual money loss to the Government of millions of dollars annually in the denuding of our watersheds and the destruction of all chances for a future timber supply, in the building up of lordly landed estates in the West of tens and hundreds of thousands of acres in single ownerships, instead of providing for the creating of thousands of small rural homes—in short, in the mismanagement and waste of the greatest resource ever possessed by any nation on earth.

The attention of our lawmakers in Congress should be urgently called to the fact that while they are attempting economy in the expenditure of money, they are allowing laws to remain in force under which by far the most valuable asset of the nation is being recklessly wasted.

The rapidity with which the public lands are being absorbed into private ownership is shown by the following table from the reports of the Commissioner of the General Land Office:

	Acres.
1898	8,453,896
1899	9,182,413
1900	13,452,887
1901	15,562,796
1902	19,488,535
1903	22,824,299
1904	16,405,822
1905	17,056,622
Total for 8 years	122,428,270

Under the timber and stone act the sales of public timber lands during the last five years have been as follows:

	Acres.
1901	396,445.61
1902	545,253.98
1903	1,765,222.43
1904	1,306,261.30
1905	696,677.06
Total	4,709,860.38

A large proportion of these lands have been in the heavily timbered belt of the far Northwest and is of the class of timber described by the Secretary of the Interior in his report for the fiscal year ended June 30, 1903, in which he says:

"The timber and stone act will, if not repealed or radically amended, result ultimately in the complete destruction of the timber on the unappropriated and unreserved public lands. The rapidity with which the public timbered lands are being denuded of their timber and the opportunity offered under the timber and stone act for the fraudulent acquisition of title to public timbered lands at the uniform price of $2.50 per acre when they are in many instances worth forty times that ($100) have been heretofore set forth in the pages of my annual reports and those of my predecessors."

As far back as 1902 the Commissioner of the General Land Office said in his annual report:

"Many lands which the Government disposed of a few years ago for $2.50 per acre are now worth $100 an acre, or even more.

"Under this law the Government has disposed of more than 5,000,000 acres of valuable timbered lands, and has received therefore about $13,000,000. The law has been too often violated. Individuals without funds of their own have been employed to make entries for others with large capital, and who paid the expenses, and some wealthy speculators have made enormous fortunes.

"Considering the forests simply as property whose only use is to be converted into lumber and other material of commercial value, the Government has disposed of them at an actual loss of considerably more than $100,000,000. In other words, through the operation of this law public property worth much more than $130,000,000 has been disposed of for about $13,000,000."

Since that report was made nearly 4,000,000 additional acres have been disposed of under this law, the value of timbered land in the meantime constantly increasing

HUNDRED MILLION DOLLAR WASTE.

But estimating the values only of the 4,709,860 acres of timber lands disposed of in the last five years, and at only $25 per acre, the Government has in that time parted with the title to land worth $117,746,500. The price received for this land has been at the uniform rate of $2.50 per acre, or $11,774,650, a loss to the Government of over $100,000,000. Your committee indorses the recommendation of the President and his Public Lands Commission for the repeal of this timber and stone act and the substitution of a rational forest policy, by which the title to the public timber lands shall remain forever in the Government, the stumpage only to be disposed of at its market value.

Under such a plan as this, and under an agreement whereby one half the proceeds could be devoted to the Forestry Service and the other half to the irrigation fund, two policies of great internal improvement and importance could be generously maintained, while at the same time the forestry question would be to a great extent solved, public forest lands being lumbered in such manner as to preserve the young growth and leave the forests as a perpetual source of income to the nation and at the same time conserve the water supply.

If the $100,000,000 which have been lost to the Government under the above showing were at hand, a score or more of enormous irrigation projects could be immediately constructed, reclaiming from 2,000,000 to 3,000,000 acres of desert land, and enormous areas of eastern forest reserves created through the purchase of mountain timber lands east of the Mississippi.

In this connection your committee is much impressed with the importance of the creation of Federal forest reserves to preserve the water supply of eastern streams, upon the continued flow of which depends much of our manufacturing activity. The western half of the United States has over 100,000,000 acres set aside in national forest reserves, as a source of future timber supply and for the preservation of the flow of streams for irrigation; but the East has no such an advantage, whereas the menace to her water supply from forest destruction is equally as great. Large areas in the Southern Appalachian and White Mountain ranges should be created into forest reserves.

This report starts out, as most arguments in favor of radical modification of our present land laws do, by the most glaring and indefensible misstatements as to the amount of public land which has been "absorbed into private ownership in the last few years." There might have been some excuse for this sort of misstatement before attention had been generally called to the somewhat misleading headings which the General Land Office has long made use of in its reports on the disposition of public lands, but attention having been directed to the facts with regard to the disposition of public lands, no one who desires to be accurate has any excuse for quoting the sort of misstatement contained in these resolutions.

It will be noted that the resolutions give what is purported to be the area of the lands with which the Government parted title, or as the statement is made, "the area absorbed into private ownership in the eight years from 1898 to 1905, inclusive," and the total is given as 122,428,270. If this statement were correct, it would mean that in the eight years above referred to the Government had parted title to one-sixth of all the lands that it has disposed of since we became a nation. As a matter of fact, the total acreage finally disposed of under all of the land laws from 1898 to 1905 was considerably less than half of the total given above, and amounts to 51,917,215 acres. It was, by years, as follows:

Total of public lands finally disposed of and passed to private ownership under all agricultural timber, mineral, town-site, Indian, and other laws.

	Acres.
1898	4,501,226.35
1899	4,835,128.01
1900	5,328,090.08
1901	7,259,235.50
1902	7,015,803.43
1903	8,560,187.64
1904	7,579,800.50
1905	6,783,742.64
Total	51,917,215.15

The erroneous and misleading statement contained in the report above quoted, as to the area absorbed into private ownership, is probably obtained by taking the area under the head of "Acreage disposed of during the fiscal year" from the report of the Commissioner of the General Land Office as the actual acreage of the land with which the Government parted title, when, as a matter of fact, the lands referred to in the Commissioner's report under the said heading are very largely lands upon which but a preliminary filing or entry was made during the year, and does not contain a considerable portion of the lands which were actually and finally disposed of during the year.

To illustrate, in the upward of 22,000,000 acres reported as acreage "disposed of" during the fiscal year ending June 30, 1903, is included over 10,000,000 acres of original homestead

entries. There is no possibility of determining how large a proportion of the lands thus entered will be finally disposed of. As a rule, only from one-fifth to one-third of the original homestead and desert-land entries are finally perfected and pass into private ownership. While in the report to which I have just referred it is stated that nearly 23,000,000 acres of public lands were "absorbed into private ownership in the fiscal year 1903," as a matter of fact, as I have heretofore stated, eight and a half millions of acres of lands were finally disposed of that year under all agricultural, mineral, Indian, and miscellaneous land laws, as follows:

Public lands finally disposed of and passed to private ownership during the fiscal year ending June 30, 1903, under all land laws.

	Acres.
By private entry	28,899.40
At public auction	59,058.54
Preemption	14,200.57
Timber and stone	1,765,222.43
Mineral	97,046.64
Final desert	264,533.62
Commuted homesteads	2,194,991.69
Timber culture	177,523.23
Excesses	22,676.71
Coal	38,007.88
Town sites	1,111.02
Supplement payments	125.34
Abandoned military reservations	5,675.38
Cash substitutions	1,398.23
Under special acts	20,969.41
Military bounty land warrants	27,896.98
Agricultural college and other scrip	12,760.50
Final homestead entries	3,576,964.14
Indian lands	251,025.93
Total	8,560,187.64

Of course, the acreage certified or patented to States or corporations under swamp-land, railroad, wagon-road, or other grants made many years ago should not be figured in any statement of lands disposed of and "absorbed into private ownership" under the current operations of the land laws, for the certification or patenting of such lands is simply placing of record title which really passed years ago; but if we add lands so certified and patented to the area which passed into private ownership under the operation of the genaral laws, the grand total for the eight years mentioned is less than eighty-four instead of one hundred and twenty-two millions of acres, as given by the National Board of Trade. The area certified and patented as above was, by years, as follows:

Total of public lands certified and patented to States and corporations under swamp-land, railroad, and other grants.

	Acres.
1898	1,582,464.79
1899	1,135,458.36
1900	2,209,381.01
1901	4,078,289.26
1902	6,078,162.01
1903	9,291,597.87
1904	5,267,434.72
1905	2,394,278.51
Total	32,037,076.63

THE TIMBER AND STONE ACT.

It will be noted that in the resolutions in question the repeal of the timber and stone act is demanded on the ground that, "if not repealed or radically amended, it will result ultimately in the complete destruction of timber on the unappropriated and unreserved public lands." How this is going to happen the resolutions do not state. It is true that the timber and stone act provides for the sale of unappropriated and unreserved timber lands under its provisions, and ultimately, if the law remains in effect, all of such lands considered worth $2.50 an acre will probably be disposed of, but the continuance of this time-honored policy of the Republic to gradually pass its public lands into the hands of private owners by no means necessarily leads to the "complete destruction" of the timber on such lands. In the majority of instances it leads to the preservation of the lands in the best possible timber-growing condition.

No account seems to be taken in these exaggerated statements of the fact that comparatively little timber land of any considerable value is left on unappropriated and unreserved lands. An area half as large as the thirteen original States is now in permanent forest reserves, and a further area two-thirds as large as all New England is withdrawn with a view of adding it to these great forest reserves.

But the principal argument for the repeal of the law seems to be that timbered lands have been and are worth more than $2.50 an acre, and therefore the Government has been losing money in its sale of timber and stone lands, and in this connection some of the most ridiculous statements imaginable have been made.

While it is true that ten or fifteen or twenty years ago some tracts of timber were purchased under the timber and stone act that are now worth large sums of money, it should not be forgotten that, under our system of land laws, these same lands could have been homesteaded, and the title thereby passed from the Government to the individual without any payment whatever except a small entry fee.

As a matter of fact, vast areas of valuable timber lands have been homesteaded and either disposed of under the commutation clause of the homestead law at $1.25 an acre or given to the homesteader free at the end of five years of more or less constructive residence. It might have been a wise thing to have provided many years ago that homesteads could not be located on valuable timber lands, but we did nothing of that kind; and, in the absence of such legislation, I am of the opinion that it was much better for the Government to secure $2.50 an acre for timber lands not fit for cultivation rather than encourage entries, necessarily not in good faith, of such lands under the homestead law, with no returns whatever except what questionable benefits the community might derive from a temporary nominal residence.

Generally the statements that have been made as to the value of lands which have been disposed of under the timber and stone act are to the effect that lands so entered have in many instances in a few years after entry advanced greatly in value, but occasionally the statement has been made that these lands when disposed of under the timber and stone act were worth from twenty to forty times what they were sold for. The first of these statements is exaggerated, the latter ridiculous. There is abundant evidence that in the majority of cases the land which has been disposed of under this act was worth in the market at the time of entry but little more than the Government price. The fact that only a limited area of lands was disposed of from 1878 to 1900, when all of the timber land of the Pacific coast was subject to its provisions, is conclusive evidence that these lands had but little value at that time at least.

The report also contains an elaborate computation of the alleged loss to the Government in the sale of timber and stone lands, and the gentlemen who adopted these resolutions placed the loss of the Government in the sale of timber and stone lands at $100,000,000, on the theory that the lands, on the average, were worth $25 an acre. This is, of course, the wildest kind of a guess and is, no doubt, a gross exaggeration. The fact is that the average value of timber and stone lands which have been sold by the Government is nothing like $25 an acre, even after all the years that have intervened since many of these lands have been entered, and even if they were, would prove nothing, as it is present and future rather than past conditions we must base action upon. To my personal knowledge there have been many thousands of acres of lands taken under the timber and stone act that are to-day worth but little, if any, more than $2.50 an acre, and their value is as great now as it ever has been. And that sum unquestionably is a good round average price for the lands which can be, and are now being, sold under the law.

But the final and clinching argument of our friends of the National Board of Trade in favor of this repeal is that if the remaining unreserved timber lands of the Government are not disposed of, but some provision made for the sale of the timber from them, large sums of money could thereby be secured for certain public purposes. If the gentlemen had taken the trouble to investigate the facts as to the sales of timber in the forest reserves, which contain millions of acres of valuable timber, in the last few years, they would have discovered that the largest amount ever received in any one year from the sale of stumpage in all of the vast areas of the forest reserves, three times the size of Illinois, as I have stated, is less than $60,000, while the Government will pay this year over $1,000,000 for the support of the reserves. At that rate it would take a good long time to secure any money for the building of irrigation works from the sale of stumpage.

But what most impresses one from the West in this connection is the suggestion in the resolutions to the effect that if the Government did not sell lands under the timber and stone act, but sold stumpage, the money received therefor might be used to buy timber lands in private ownership in the mountainous regions of the Alleghenies in order to create forest reserves. Aside from the question as to the justice of levying tribute on western pioneers to carry out the questionable policy contemplated, the inquiry naturally arises as to just how rapidly the Government could buy Appalachian forest lands on an annual income of $60,000 a year, the present receipts of the sale of stumpage in forest reserves, after paying therefrom a million dollars a year for the administration of the reserves. This is a problem in mathematics which I respectfully refer to the gentlemen

of the National Board of Trade and other like organizations, who take with childlike faith and confidence all alleged arguments of the land-law repealers.

It is undoubtedly true that ultimately the Government will realize large sums from the sale of stumpage in forest reserves, as the reserves contain millions of acres of heavy and valuable timber; but it is ridiculous to talk about or expect that any sums worth mentioning could be realized from the sale of stumpage on the sparsely timbered, unreserved lands, even though they were not subject to entry under the timber and stone act. If of any considerable value, they would be homesteaded. If not, under the various laws providing for the free use of timber by settlers and prospectors, the timber would be gradually cut and utilized, or it would be destroyed, as much valuable timber on the public domain has been, by fires. If an attempt were made to limit the use by settlers and prospectors with a view of increasing the sales, it would require an army of Federal officials to accomplish the result, and even then the sales of stumpage would probably never equal the cost of collecting it.

Let us consider for a moment what the situation really is, and what some of the reasons are why the timber and stone act should not be repealed. In the first place, let me say that if we had no such thing as a national forest-reserve policy it would be wise—in fact, necessary—to repeal or modify the timber and stone act; but in that event it would be necessary to also radically and vitally amend the homestead law and the free-timber laws in order to make such repeal or modification of any effect in the preservation of the forests or in securing a higher price for our timbered lands.

Our basic public-land law is the homestead law. While under every other land law lands of a certain specific character only can be taken, under the homestead law any nonmineral lands can be entered and acquired. Under the desert-land law only lands requiring artificial irrigation to produce crops can be lawfully entered. Under the timber and stone act only lands containing timber or stone and not fit for cultivation when cleared can be purchased; but under the homestead law any land with regard to which a nonmineral affidavit can be made can be entered, it matters not whether the land be fit for cultivation or not, the theory of the homestead law being that the homesteader will not settle upon lands which can not be cultivated or upon which he can not successfully maintain a home. But as a matter of fact a certain class of homesteaders will homestead any kind of land that is of any considerable value after final proof is made.

Does anyone imagine for a moment that timbered lands worth $100 an acre or $16,000 a quarter section, if there were any such in the unreserved public domain, would not be entered under the homestead law if there were no timber and stone act? Or that timber lands worth only $10 an acre, or even half that amount, and at all accessible, would not be entered under the homestead law if there were no other law under which they could be entered at a reasonable price? If there is anyone who harbors any such notion, it must be some one who has not a very clear idea of the fundamental characteristics of human nature and of the average homesteader. It follows, therefore, that unless the homestead law were amended so that timber lands could not be taken under it all timber lands of any value would be entered under that law if there were no other method of securing them at a reasonable price.

The increase of the price of timber and stone lands to $5 or $10 an acre, which has been suggested by some, would also probably result in the homesteading rather than the purchase of unreserved timber lands of any considerable value. If the answer to this is that we should not only repeal the timber and stone act, but that we should modify the homestead law, so as to prevent the taking of valuable timber lands under the law, then the inquiry naturally follows as to who is to determine, and how, as to what unreserved lands are more valuable for timber than for agricultural purposes, and if timber land is valuable for agricultural purposes what good argument can be made against giving the settler in Idaho or in California, under the homestead law, the same opportunity to take timber lands as was given to settlers in Missouri or Arkansas.

FOREST RESERVES.

But we have a forest-reserve law, and under this law there have been created up to November 15, 1905, eighty-three forest reserves, containing over 97,000,000 acres of land, and at the same time nearly 40,000,000 acres more had been reserved with a view of including the same in forest reserves if, after examination of the lands so reserved, it was deemed wise and proper to do so. It is true that the lands within these forest reserves are not by any means all heavily timbered. As a matter of fact, millions of acres in these reserves contain practically no timber whatever. They contain large areas of hill and mountain lands partly timbered, many open parks, and considerable land above timber line.

But these reserves do also contain large areas of valuable timber lands, and if there are any really valuable timber lands not fit for agricultural purposes not in forest reserves, they should be included in them, because that is the only way in which to preserve valuable forest lands without a complete remodeling of our land system.

There remains outside of the reserves a large acreage of more or less rough, rocky land, covered to a greater or less extent with brush or scattered timber, possibly some few small areas with a good growth of timber, but not of sufficient value as forest lands or for water conservation to warrant their being placed in reserve, and the question is, What shall we do with these lands? If the timber-and-stone act is repealed, a large portion of these lands will remain permanently public domain, bringing no income to the Government and contributing nothing to the support of local government. What little timber there is on such lands would gradually be used or wasted under the laws allowing free use of timber for farming and mineral development, destroyed by fire, or stunted in its growth by overgrazing. It is, in my opinion, better by far to sell these lands at what, in the majority of cases, is a fair price. There are several States which never contained any forest areas of any extent worth over $2.50 an acre. This is particularly true of the southern and central intermountain States, and, first and last, the entries in these States constitute a very considerable portion of the total entries made under the law.

I shall insert at this point in my remarks a table showing the total entries under the act in each State to which it applies, from 1879 to 1904, inclusive. Also a table showing the total of entries in all of the States up to June 30, 1905.

Land sold under the timber and stone act.

State or Territory.	Entries.	Acres.
Alabama	2	239.26
Arizona	3	200.00
Arkansas	413	42,705.97
California	15,553	2,200,221.36
Colorado	1,436	178,409.59
Florida	28	2,803.93
Idaho	2,020	279,685.70
Iowa	1,294	190,837.82
Louisiana	372	46,089.61
Michigan	714	62,713.59
Minnesota	6,077	753,312.00
Montana	1,590	215,851.29
Nebraska	1	97.20
Nevada	33	3,870.57
North Dakota	31	3,376.86
Oregon	13,088	1,940,052.04
South Dakota	86	9,481.51
Utah	2	240.00
Washington	10,637	1,478,391.78
Wisconsin	800	59,458.02
Wyoming	1,192	127,983.13
Total	55,372	7,596,078.23

Sales under the timber and stone act to June 30, 1905.

Fiscal year.	Entries.	Acres.
1879	6	763.51
1880	165	20,019.26
1881	363	42,988.62
1882	728	95,257.02
1883	2,101	297,735.50
1884	2,392	339,419.89
1885	1,027	139,301.93
1886	429	50,693.62
1887	655	80,622.19
1888	2,420	341,928.61
1889	2,361	334,519.38
1890	3,454	509,896.61
1891	1,849	259,913.55
1892	1,006	137,520.00
1893	1,382	182,340.56
1894	1,259	153,081.38
1895	627	70,066.84
1896	559	66,182.19
1897	357	40,609.95
1898	573	60,955.73
1899	537	59,019.11
1900	2,385	300,019.06
1901	3,031	396,445.61
1902	4,022	545,253.98
1903	12,249	1,765,222.43
1904	9,435	1,306,261.30
1905	5,188	696,677.05
Total	60,560	8,292,755.29

From this latter table it will be seen that the high-water mark of entries was in the year 1903, when about one and three-

quarters of a million acres were entered under the timber and stone act. The acreage entered decreased to a million and a third acres in 1904 and to less than three-quarters of a million in 1905, a falling off of more than 1,000,000 acres in two years in the area of entries. This falling off arises from two general causes. First, the decreasing demand for public lands generally. Second, from the fact that while the activity of the officers charged with the administration of the forest reserves for years seemed to be exercised in the direction of finding treeless lands over which to establish forest reserves, finally in the last year or two they have concluded that forest reserves ought to cover forested lands, and have extended the reserve area accordingly.

The probability is that the acreage entered under the timber and stone act will continue to decrease from year to year, inasmuch as the temptation to make speculative entries under the timber and stone act has departed with the reservation of practically all of the valuable timber lands.

But it is claimed by some that the Government should retain title to practically all lands that are to any considerable extent forested, whether reserved or not, and with this view I take issue. It has been the policy of our Government from the beginning to gradually pass its lands into the hands of private individuals. No other policy is consistent with our system of government. Any other policy leads to the rankest kind of paternalism and renders the support of local governments practically impossible. It is but one degree better to have the Government set up in the business of landlordism than to have great private land holdings. The American system is the system of small holdings—the ownership of the soil by him who tills it and secures his support from it. No other is defendable in a free country.

The Government has departed from this policy in the creation of forest reserves by permanently reserving vast areas, the title of which is not to pass from the General Government. This departure is only warranted so far as it is necessary to serve the important public purposes which can only be accomplished by the reasonable preservation of the nation's timber supply and the conservation of the water supply in the arid and semiarid regions. So long as the reserves are restricted to the forested and mountainous areas of great importance from the standpoint of water conservation, and wisely administered, this departure from our policy will probably be justified. But it is the duty of those charged with the administration of the reserves to see to it that the forests are gotten within the reserves and that the grazing and farming lands are kept out of them, and when this is done, that should be the end and the limit of the permanent reservation of public lands.

The sparsely timbered, brushy, and rocky lands of the public domain should be disposed of and gradually passed into the hands of individuals and become part of the general privately owned lands of the country in some such manner as provided in the timber and stone act; and it is these rough, rocky lands, but sparsely timbered or covered with scattering timber, which in the main is now being disposed of under the law, and if the actual cash value of the lands sold last year could be determined, I do not doubt but what it would be found that the Government received a good average price for it at $2.50 an acre.

THE RECLAMATION ACT.

But, Mr. Chairman, there is another and a very urgent reason why the timber and stone act should not be repealed. On June 17, 1902, an act was passed appropriating the proceeds of the sales of public lands in sixteen Western States and Territories for the construction of works for the reclamation of arid and semiarid lands by irrigation. The receipts of the sales of public lands as paid into the fund each year since the passage of this law up to 1905 are as follows:

Sources and amount of the reclamation fund from sales of land in States and Territories.

Arizona	$243,768.19
California	2,323,057.69
Colorado	1,969,733.89
Idaho	2,034,699.52
Kansas	139,874.69
Montana	2,146,687.45
Nebraska	671,849.57
Nevada	64,929.12
New Mexico	521,349.30
North Dakota	4,440,591.94
Oklahoma	3,127,703.37
Oregon	4,769,380.34
South Dakota	1,023,172.13
Utah	362,076.39
Washington	3,051,433.01
Wyoming	1,185,801.42
Total	28,078,108.02

Of this sum of a little over $28,000,000, $8,292,000 in round numbers, as shown by the table I have heretofore presented, was received from the sale of lands under the timber and stone act. In other words, nearly one-third of the entire receipts of the reclamation fund have come from the sales under this law alone, and there is every reason to believe that they will in the future contribute approximately the same proportion. If the law had been repealed at the time of or before the reclamation law was passed, it would have been impossible to have undertaken many great projects now under construction, and if it were repealed now, some of the projects now under construction would have to be curtailed, because their completion will require not only the money now in the fund, but the probable additions to the fund under this and other laws for a number of years to come.

Recently we have heard a new form of criticism of the timber and stone act. Advocates of repeal having been compelled to admit that most of the really valuable public timber lands have been placed in forest reserves, or should be, and that therefore there remains no considerable amount of valuable timber lands outside of the reserves subject to entry under this law, they now complain that considerable areas of land are being taken under the law which are not timbered and which do not contain valuable timber or stone. In other words, the complaint now is that the homesteader, the home maker, and stockmen in the arid and semiarid States are taking advantage of the timber and stone act to purchase rough, rocky, stony, and sparsely timbered lands, unfit for cultivation, for $2.50 an acre, in order to round out their holdings and obtain a little wood lot over which they can exercise control, or increase to a limited extent the pasturage adjacent to their farming lands. And this, say these very sensitive guardians of the public domain, is a violation of the spirit if not the letter of the land law, because they say the law was enacted for the purpose of enabling people to purchase valuable timber lands, and it is a violation of it for people to purchase in that way lands that are of but little or no value for the timber they contain.

And so the professional repealer, driven from one argument to another, runs to the opposite extremes. Forced to admit that the Government is no longer disposing of any considerable amount of timber land of value under the timber and stone act, he seeks to repeal the law because, forsooth, the Government is getting more for some of its lands than they are really worth, and selling some rough, stony, brushy, and sparsely timbered land at prices quite above their value. The one argument is about as convincing as another to those who know the facts, which are that this law is being utilized, first, by the small sawmill owners to secure title to limited tracts of land for the purpose of carrying on the small milling operations which supply the average country neighborhood with rough lumber. These sawmills can not, in the majority of cases, afford to pay more than $2.50 an acre for the sparsely timbered lands now available. After the timber is cut on such tracts they are generally used for pasturage purposes, and are gradually reforested.

Second, by the ranchman, the farmer, the stockman, and the miner throughout the agricultural and grazing regions of the West, who find it to their advantage to own and control tracts of land containing more or less timber along the foothills adjacent to or in the vicinity of their holdings, from which they can obtain a supply of timber from time to time for the improvement of their property. It is not necessary for them to buy these lands to secure the immediate use of the timber growing upon them for ranch and mining improvement and development, for they are granted the right to use timber for these purposes under the law.

But the average permanent resident understands that where timber is scarce on the public domain it is likely to be destroyed by fire or exhausted by wasteful cutting, and that if he is to permanently have a supply of timber for his uses he must own the land on which it grows. Tracts of this kind are generally of some value for grazing purposes. In fact, it is probably true that many entries are made adjacent to farms and ranches where the benefits to be derived from the use of the land for grazing purposes are the strongest inducement for the purchase of such rough, rocky tracts, and a large proportion of lands so acquired would not sell for $2.50 an acre on the open market. They are not worth that to anyone except to him who owns the adjacent land and can utilize them in connection with his other holdings.

Not only would the mistaken and misguided notion of attempting to retain all of the sparsely timbered, rough, and rocky land in the hands of the Government largely reduce the revenues of the irrigation fund, but such a policy will permanently cripple many communities in that it would withhold perpetually from entry lands which otherwise would pass into private ownership and thus contribute in the form of taxes to support local institutions. In regions where there is a considerable amount of

such lands the counties and school districts would be seriously crippled if any considerable areas of the public domain were permanently reserved. In my State less than 8 per cent of the land is in private ownership, and the remaining 92 per cent pays no taxes.

In conclusion I would say that in my opinion the only wise policy to follow is to include within forest reserves all heavily forested areas not fit for cultivation, and to dispose of, under the timber and stone act or some similar law, all the rough, rocky, or sparsely timbered tracts for which people are willing to pay $2.50 an acre. By so doing we shall retain within the reserves in Government ownership the lands needed for water conservation, we shall have the assurance of a reasonable timber supply, which can not be controlled by monopolies, and at the same time pass gradually into the hands of the people in accordance with the historic, time-honored policy of the Republic, all other classes of the public domain, and thus make possible the establishment of homes, the upbuilding of communities, and the best possible use and utilization of our lands.

THE ADMINISTRATION OF THE LAND LAWS.

Mr. Chairman, I desire to avail myself of this opportunity to make a few remarks with regard to the administration of our land laws, and at the outset I desire to commend the efforts which have been made by the officials of the Department of the Interior to secure a thorough enforcement of our statutes relative to the disposal of the public domain.

The present Secretary of the Interior has, in my opinion, been honestly anxious to secure a fair and impartial enforcement of the land laws, and the Commissioner of the General Land Office, than whom there is no more thorough, capable, and conscientious officer in the public service, has made an earnest and successful effort to cure abuses and to fairly and impartially enforce the laws, and he is entitled to great credit for his intelligent and faithful services.

There are, however, two sides to this matter of the enforcement of the public-land laws. It has been our experience as a nation through all our public-land administration that there is a constant tendency to swing from one extreme to the other in our public-land policy, and particularly in ideas and methods of administration of land laws. A period of liberal interpretation of land statutes has generally been followed by a period of rigid and conservative interpretation and more or less drastic administration. A liberal interpretation of the land laws is likely to lead to some abuses which, when widely commented upon and exaggerated, as they are almost certain to be and as they have been in the past few years, has its effect upon the officers charged with the administration of the laws. Thus a peroid in which the interests of the Government and of the people as a whole are not sufficiently considered in the administration of the land laws, owing to a possibly exaggerated idea that as the public-land laws are in the main liberal they are to be liberally construed in the interest of claimant and entryman, is likely to be followed by one in which the fact that the object of the land laws is to dispose of the public domain is almost lost sight of in an almost hysterical anxiety to protect the interests of the Government against every possible fraud or evasion of the law.

As an illustration of this tendency, I can not refrain from calling attention to some of the decisions and practices of the Land Office at this time, which, in my opinion, are very unjust to the settler and the pioneer who is endeavoring to make a home upon the comparatively valueless lands (speaking of their value in the present raw state) which constitute the remaining portion of our agricultural public domain. One of the practices of the Department of which I think settlers are justified in complaining, and for which, in my opinion, the Department has doubtful authority under the law, is that of fixing certain dates, oftentimes at rare intervals, on which land proofs proposed to be made before officers other than registers and receivers may be taken. These dates are arranged by the special agents of the Land Office and made to conform to the convenience of those gentlemen and without any regard to the convenience of the settlers. At times only one day in a month is named on which proofs may be made before a given officer, and not only that, but such dates are often suddenly and arbitrarily changed to suit the pleasure and convenience of the special agents.

The Department is actuated by entirely laudable motives, in my opinion, in making these regulations, the object being to have a special agent in attendance who may cross-question claimants and witnesses at the time proof is made; but this policy of confronting a claimant and his witnesses with a special agent of the Land Office, the propriety and wisdom of which, in certain cases, I do not question, certainly ought not to be carried out in a manner that greatly embarrasses settlers and puts them to a great inconvenience, large additional expense, and their rights in jeopardy.

In their efforts to minimize fraud the Department has made it difficult in many cases for settlers to make their proofs. The policy should either be abandoned or else sufficient special agents put in the field that settlers may not be harassed and put to expense, which they can ill afford, and their rights in jeopardy.

There has for some time past been more or less criticism of the desert land law, a carefully guarded statute under which more acres have been won from the desert and made fruitful than under all other laws. It is true that it has in certain cases been abused and its provisions utilized to obtain title to lands without permanent reclamation. It is still one of our land laws, however, and as such it is the duty of the Interior Department to fairly administer its provisions. Some recent regulations under the law, however, are of a character which gives considerable warrant for the view held by some that the Interior Department is endeavoring to discourage entries under this beneficent law.

DESERT LAND LAW.

Of all the land laws, the requirements of the desert land law are the most difficult to comply with and are of a character that render it comparatively easy to discover any violations of the law. A few years ago the Department construed quite liberally, too liberally, perhaps, some of the provisions of the law in certain cases. From this attitude of rather liberal construction the Department has swung to the other extreme and now places a construction upon practically all of the provisions of the law that makes it well-nigh impossible to comply with its provisions. This, in my opinion, is in no wise justifiable in view of the fact that with anything like a fairly reasonable compliance with the provisions of the desert land act an entry made and perfected under it is advantageous to the Government and beneficial to the community in which the land is located much more than in the majority of cases it is to the individual making the entry.

While the present regulations and policy in the administration of the law are in general drastic and, in my opinion, necessarily so, the feature of the present regulations which is particularly objectionable and unfair, in my opinion, is that which relates to the proof of ownership of a water right for the irrigation of the land, and these regulations are the more objectionable in that they do not apply uniformly. The entryman in a State which has good irrigation statutes and where there are complete provisions for the initiation and proof of a water right, and where, therefore, the requirements of the desert-land law are most certain to be fully complied with, is penalized by reason of these enlightened statutes, and in such States as provide for a final certificate of water right the entryman is required to furnish such final certificates before he can secure patent to his land.

The result of this policy is that in Montana, where no certificate of water right is issued and where State water laws and regulations are easily complied with, the entryman receives his patent upon reasonable proof that he has a permanent supply of water for the irrigation of his land, whereas in Wyoming, where the State law provides for the issuance of a final certificate of water right, no amount of proof of ownership of a water right and the possession of an abundant supply of water—in fact, nothing will be accepted by the Department but the final certificate of appropriation of the State as a proof of the ownership of a sufficient amount of water to irrigate the tract.

In the nature of things, this final certificate can not be issued until the adjudication of the stream from which the tract derives its water supply, which is generally and properly not undertaken until the major portion of the irrigable lands irrigated from the same source are fully reclaimed and ready for an adjudication of their claims, so that an entryman who in fact has an abundant supply of water and who irrigates and cultivates every acre of his land may have to wait three, five, or ten years before he can receive a patent for it, during all of which time he is subject to the frequently changing constructions of the law made by the Department. His land can not be alienated, no matter how great the necessity may be for such action, and it is impossible for him to know whether he will ever obtain title to the tract of land in which he has invested the savings of a lifetime.

The Department also holds that where an entryman has secured his water right from an irrigation association, company, or corporation, the water right must be fully paid for before he can secure his patent. These water rights in a great many instances are very expensive. The settler, making a beginning on raw, unimproved land, burdened with the necessary cost of pre-

paring the land for cultivation amid all the discouragements of a new country, may not be able to finally pay for his water right for years and yet, during all of this period, he has no assurance that he ever will obtain title to his land.

We have recently had very striking illustrations of the great hardship of this ruling in the Imperial Valley in California. That valley a few years ago was one of the most forbidding, pitiless, and unhospitable deserts on the face of the earth. It was almost suicide to attempt to cross it. It contained practically no vegetation of any kind or character. It was literally a death valley. A few years ago some hardy and adventurous spirits evolved the daring project of carrying the waters of the Colorado River many miles through the Republic of Mexico, turning it back into the United States, and irrigating these lands. Amid discouragements that would have appalled any but the most adventurous and courageous of men this work was carried on. The waters of the Colorado were turned upon the desert. Lands were taken up under the homestead law and the desert-land act. It is notorious and of record that the homesteaders were laggard about irrigating their lands, utterly worthless for all practical purposes without irrigation. Still the homestead law does not require irrigation, and of the homestead settlers many of them were content to hold a considerable portion of their lands unirrigated with a view of securing a high price for them when their value had been demonstrated by the irrigation of the lands of their neighbors.

But the desert entryman was compelled to reclaim his land in order to make proof upon it, and in this region, where the lands were early proven to be of great value when reclaimed, the desert entryman was compelled to the strictest compliance with the law in order to save his land from contest, and so the major portion of the lands that were irrigated in this region were lands that were taken under the desert-land act. The settlers bought their water rights from the large water companies which brought the water at great cost into the valley. These water rights cost them, I am told, all the way from $15 to $30 an acre.

In addition to this, the settler must meet the cost of surveying and building his laterals, leveling and preparing the land for irrigation, and erecting and making the necessary buildings and improvements. These expenditures, amounting to upward of $10 an acre, in addition to the cost of a water right, must be met immediately, with the result that the settler can not, under the most favorable conditions, pay for his water right for a number of years. He is, in the majority of cases, fortunate indeed if he can pay for the same in ten years.

Under these conditions, to withhold patents for that length of time must necessarily, in many instances, amount to almost a confiscation of the settler's property, and certainly no good purpose can be served thereby, because the land is absolutely worthless in its natural state and must be irrigated to be of any value, and therefore, even if the original entryman failed to make his payments and the land went to others, it must of necessity continue to be irrigated.

I have chosen the Imperial Valley, in California, as an illustration of the injustice of the ruling to which I have referred, but equal injustice is being done all over the arid-land States by these rulings and decisions which delay the passing of title to land under the desert-land act for an interminable period. I do not believe that such practices are justified by the law or warranted by existing conditions.

The question of reclamation is one that can be easily determined by an examination of the land. The existence and control of a water supply sufficient for the irrigation of a given tract can be readily proven. These facts having been satisfactorily determined, patent should issue, as contemplated by the law.

The provisions of the desert-land act should be properly enforced by all means. There should not be a return to the loose practice which prevailed at certain periods in the past, but I believe that I am fully justified in saying that the present Departmental requirements under the law are contrary to the spirit of the law and of our public-land policy, and in the case of the desert-land act amount, in many instances, to the taking of private property without due process of law.

No one interested in the development of the West desires to see the land laws violated and abused, but I feel I must protest, in the name of justice and fairness, in the name of the historic policy of the Republic of making it possible for poor men to acquire homes on the public domain, against practices and policies which, while no doubt undertaken in good faith, discourage rather than encourage settlements upon the public lands and drives intending settlers from our public domain to that of Canada. [Applause.]

Railroad Rate Bill.

SPEECH

OF

HON. ANDREW J. VOLSTEAD,

OF MINNESOTA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, June 28, 1906.

The House having under consideration the bill (H. R. 12987) to amend an act entitled "An act to regulate commerce," approved February 4, 1887, and all acts amendatory thereof, and to enlarge the powers of the Interstate Commerce Commission—

Mr. VOLSTEAD said:

Mr. SPEAKER: It is not to be expected that the House, in this the closing hours of this session, will listen with any patience to a speech on the so-called "railroad rate bill," now about to become a law. I desire only to offer a few desultory remarks. It is an interesting study to follow the history of this legislation from the date of the introduction of the so-called "Cooper bill" in the last Congress. At that time the only thing sought was to give authority to the Interstate Commerce Commission to fix and enforce a just rate in place of one that is unjust. The provisions then thought necessary were general in character. That bill met the most strenuous opposition. All sorts of objections were made to it; and to divert the public mind from its merits, it was constantly charged that other evils existed in connection with the transportation problem to which Congress might more profitably direct its attention. This opposition, instead of accomplishing its purpose, had the effect of intensifying public sentiment in favor of the measure and direct public thought not only to the main proposition, but upon other matters brought to its attention by this discussion. Instead of diverting Congress and the American people from securing the legislation sought it had a tendency to gradually broaden the programme of those who were in earnest about securing railroad legislation, until the bill in its present form embodies not only provisions for fixing and enforcing just rates, but covers a large number of other subjects that will amend and strengthen the general railroad law. It has required a tremendous struggle to reach this consummation. It is not expected that this legislation is perfect. It pioneers a new field. Experience alone can determine how it will work in practice. That experience will point out defects that may be remedied by subsequent legislation. Though there are things I might like to change, the measure as a whole has my cordial approval.

The object of this measure is to keep the highways of commerce open to all persons on equal terms. If that is accomplished, it will strike a staggering blow at many of the most vicious trusts and monopolies. The evidence is ample that many of these trusts have been made possible by reason of the fact that they have practically dictated the toll which they paid upon their products while their competitors, less powerful, were not thus favored. The recent investigations of the Standard Oil Company, the coal companies, and the packing house companies bear abundant testimony to that fact. No independent company can prosper or even become a serious competitor so long as these large concerns are permitted to stand upon the public highways as they have in the past and collect tolls from their rivals. Defects in the law have made it possible for these trusts to collect such toll without legal limit or conscience. If the highways of commerce are kept open to all on equal terms, it will become possible for comparatively small industrial enterprises to compete with the larger concerns. The small mine owner can then send his coal to market and there sell it in competition with his larger rival, so can the small packing houses lately established in Iowa and other States. These packing houses have in years past existed by sufferance, but if this and other laws against unjust discriminations in railway freights are enforced they will not need a license from the larger packers to live, but will be independent and actual competitors in the market. The same may be said of the independent oil companies and other industries. These laws should make it possible to develop a large number of new industries, and should tend to decentralize and distribute these industries throughout the country. In passing this measure Congress is placing in the hands of the President a better and more effective weapon with which to strike down injustice, overawe and curb unconscionable greed and graft. His past performances guarantee that he will use this weapon, not only diligently and fearlessly, but judiciously and fairly.

While the American people applaud and approve what has been done, we must not persuade ourselves that we have reached the limit of what should be done. There are still many problems unsolved; many questions that must be answered. It will no doubt be asked why interstate telegraph and telephone lines should not be regulated the same as railway lines; why are they not common carriers, and why should not their rates be subject to reasonable control? It has been urged that it is impossible to determine what is a reasonable railroad rate unless you first know the value of the property upon which the railroad companies are entitled to receive reasonable earnings. Will it not become necessary in aid of this legislation to take an invoice of railroad values so as to determine what is in fact a just and fair rate? Such valuation will be a protection to the stockholders against unreasonably low rates. Earnings limited to a fair income on valuation would satisfy the public and disarm the demagogue. If no such valuation is needed, should not some limitation or regulation be placed upon the issuance of railway stocks and bonds, so as to prevent an overissue as an excuse for unreasonable rates? What is there today to prevent the capitalization of railroads from mounting from $60,000 per mile to the European figure of $200,000 per mile? In line with this same suggestion, should not the tendency to create monopolies by consolidation of all competing industries be limited in some way, and can it not be limited under the power to regulate interstate commerce, or under the taxing power? These and many other questions may need an answer in the near future.

In these closing days, and more or less during this whole session, the Republicans have been vigorously denounced by the Democrats upon this floor for not having revised the tariff. Without entering into any tariff discussion, let me say in answer that had we attempted such revision we should not have passed at this session any railroad rate bill, and while it is no doubt true that there are inequalities in the tariff schedules that must be corrected in the near future, I am glad the Republicans have "stood pat" upon the railroad rate legislation and not allowed anything to interfere that would prevent its enactment. The fact that they have refused to be diverted from this measure is proof that they have been earnest and sincere in carrying out the wishes of the people on this subject. This bill will accomplish infinitely more to sustain and advance the present abundant prosperity than any tariff revision could possibly effect. It is a distinct and permanent advance in the direction of equalizing conditions, so as to secure fair competition, and tends more surely to prevent the extortionate demands of monoply than could be secured by any tariff revision.

The Carefully Considered Appropriations of this Congress Give Assurances of a Surplus in Revenues.

No Congress in the Nation's History Ever Responded More Promptly and Effectively to the Legislative Needs of the People than the Fifty-ninth Congress.

SPEECH

OF

HON. JAMES A. TAWNEY,

OF MINNESOTA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, June 30, 1906.

The House having under consideration the bill (H. R. 20511) making appropriations for certain public buildings authorized by the act approved June 30, 1906, and for other purposes—

Mr. TAWNEY said:

Mr. SPEAKER: With the passage of this bill the first session of the Fifty-ninth Congress will practically close. Viewed from any legislative standpoint, whether in the enactment of important, wise, and beneficial laws, or the careful and economical appropriation of public funds for the public service, or in the aggregate number of public and private acts, it surpasses any preceding session of Congress since the adoption of the Constitution. It is doubtful if ever in the history of the Republic we have had a session of Congress that responded more promptly, more efficiently, and more fully to the legislative needs of the people, as expressed through public opinion, than the first session of the Fifty-ninth Congress has done.

Next to the duty of enacting laws for the collection of governmental revenues, there is no duty devolving upon Congress that is comparable with that of appropriating and distributing these revenues for the purpose of defraying governmental expenses. Therefore, in order that the country may know how faithfully this duty has been performed, it has long since been the established custom at the end of each session to review the work of Congress in respect to appropriations, and also to compare the same with the appropriations of previous years, together with the estimated revenues for the fiscal year for which the appropriations are made.

COMPARISON OF APPROPRIATIONS.

The expenditures of the Government authorized by appropriations made during the first session of the Fifty-ninth Congress, include:

Sums carried in the regular annual supply bills, $672,987,734.70;

Permanent appropriations made by laws enacted by previous Congresses and for which subsequent Congresses are not responsible, except in so far as acquiescence in their existence creates responsibility therefor, $140,076,320;

Deficiencies, which cover expenditures for the current and prior fiscal years, on account of inadequate appropriations by previous Congresses, or made necessary by unbusinesslike methods of administration, $39,119,246.62; and

Miscellaneous appropriations in special acts carrying sums of money outside of amounts in the regular appropriation acts, estimated at $28,000,000; making a grand total of $880,183,301.32.

To ascertain the amount of the last-named sum appropriated for the conduct of the Government during the fiscal year beginning July 1, 1906, to be met out of the revenues collected that year, the following deductions must be made:

From the regular annual appropriations the sum of $25,456,415 for construction of the Isthmian Canal, which sum will be paid from or reimbursed to the general Treasury out of the proceeds of the sale of bonds authorized by the original canal act of 1902, to be issued for that purpose.

From permanent annual appropriations $57,000,000, which is the sum of the statutory maximum annual requirements of the sinking fund payable in the discretion of the Secretary of the Treasury from surplus revenues, and the further sum of $22,000,000 for redemption of national-bank notes out of deposits by banks for that purpose; in all, $79,000,000.

From deficiencies all amounts, except those expressly providing for service of the Government during the fiscal year 1907, aggregating about $35,000,000.

The total of the sums mentioned, amounting to $139,456,415, deducted from the total apparent appropriations leaves an aggregate sum for all purposes, including the postal service for 1907, of $740,726,886.32.

The ordinary revenues of the Government from customs, internal revenue, and miscellaneous sources for the fiscal year 1906 amount to nearly $595,000,000, a gain of more than $51,000,000 over the like revenues for 1905.

This satisfactory growth of our revenues for the year just closed over the revenues of the preceding year is not only indicative of the industrial and commercial prosperity of the nation, but gives assurance, if these conditions are not disturbed by agitation or other causes, of such continued increase as to make it practically certain we will have a total of not less than $600,000,000 of ordinary revenues for 1907, which added to the estimated postal revenues will produce a grand total of revenue of $781,573,364, or a surplus of $40,846,477.68 over the total expenditures for 1907 authorized by the appropriations of this session. This surplus will be available, in the discretion of the Secretary of the Treasury, for application to the sinking fund, together with a considerable further sum that will arise in the nature of excess of appropriations over actual expenditures. This difference between total appropriations and total expenditures varies, one year with another, in sums equal to not less than 2 per cent, and in some years to as much as 5 per cent of all of the annual appropriations.

REGULAR ANNUAL APPROPRIATIONS.

The appropriations for the regular annual expenses of the Government are made in twelve separate acts, and in comparison with the appropriations for the fiscal year 1906 they show increases for the fiscal year 1907 as follows:

The Agricultural bill appropriates $9,932,940, being an increase of $3,050,250 over the act for 1906; this apparent large excess is chiefly on account of the requirements for inspection of packing-house products.

The Army appropriation act carries $71,817,165.68, being an increase of $1,420,533.44 over 1906. The Army is now maintained at substantially its minimum strength under the law, and the moderate increase which is indicated will doubtless

avert deficiencies that otherwise would have to be provided for at the next session.

The Diplomatic and Consular appropriation act carries $3,091,094.17, an increase of $968,046.45. During the present session of Congress a carefully prepared law has been passed, on the recommendation of Secretary of State Root, radically reorganizing our entire consular service in the direction of applying business methods to the promotion of our commercial interests with other countries.

The District of Columbia appropriation act appropriates for 1907, $10,138,692.16, an increase of $337,494.54 over 1906. This act provides for the entire governmental expenses of the Federal District within which is located the capital city of Washington. The expenses covered by this act includes what in the States would constitute Federal, State, county, and municipal expenses.

The Legislative, Executive, and Judicial appropriation act carries for 1907 $29,741,019.30, being an increase of $604,267.24 over 1906. This act carries the appropriation for the entire expenses of Congress, the Executive Departments at Washington, and for the judiciary. The principal increases included in the total apparent excess of 1907 over 1906 are as follows:

For expenses of collecting internal revenue $85,000; for skilled services in the Supervising Architect's Office, previously paid from public building appropriations, $72,460; for salaries, office of Public Health and Marine-Hospital Service, previously paid from permanent appropriations, $41,380; for salaries of clerical force in certain bureaus of the War Department, previously paid from general appropriations, $141,920; for temporary force for reproducing records for the land office at San Francisco, $60,000; and additional clerical force for the Patent Office, $66,480.

The Military Academy act appropriates for 1907, $1,664,707.67, an increase of $990,994.29 over the appropriations for 1906, all of which sum is substantially for reconstruction of this educational institution.

The Naval appropriation act carries $102,071,651.27 for the fiscal year 1907, and shows an increase of $1,734,970.33. This branch of the military side of our Government has been showing considerable increase year by year since the work of rehabilitating the Navy began more than twenty years ago. The action of Congress at this session with reference to the proposed great battle ship indicates that the maximum has at last been reached, and that without considerable future increase in actual expenses the country may feel assured we have a Navy equal to any emergency and sufficiently powerful to maintain the prestige of the United States among the nations of the world.

The Pension appropriation act appropriates $140,245,500, an increase of $1,995,400 over the appropriations carried in the pension act for 1906, as required to meet the obligations of the pension laws as they actually exist.

It is proper in this connection to call especial attention to the fact that the Pension appropriation act enacts into permanent law the following provision:

> That the age of 62 years and over shall be considered a permanent specific disability within the meaning of the pension laws.

The effect of this will be to exempt all old soldiers from the necessity of undergoing the expense of medical examinations for increase of pensions on account of increased age.

The Post-Office appropriation act appropriates for 1907, $191,695,998.75, an increase of $10,673,905 over 1906. The postal service represents what is essentially the purely business side of our Government, and to the extent that the country is prosperous the service grows; its expenses are substantially borne by the revenue which it produces. Of the total increase for the postal service, $3,030,000 is on account of free rural delivery.

The Sundry Civil appropriation act carries for 1907, $98,274,574.32, or an apparent increase of $31,461,123.66 over the total sum carried by the act for 1906. The Sundry Civil is the one appropriation act of the whole list with which it is not possible to make an intelligent comparison, because of the fact that it is made the vehicle to carry all expenses of the Government not directly belonging to some one of the other eleven regular appropriation bills. It provides for the things that arise in one year and are consummated and disappear from our national expense account.

For instance, of the total apparent increase for this year over the last fiscal year, $25,456,415.08 is for the Panama Canal, an item of expense that has never before appeared in any Sundry Civil appropriation act. The act for 1907 also carries for continuing work on rivers and harbors throughout the country, authorized by the River and Harbor act passed at the last session and in acts passed at previous sessions of Congress, amounting to $17,318,976.14, or an increase of $6,774,844.14 over the appropriations for the like purposes for the fiscal year 1906, the two amounts mentioned more than offsetting the whole apparent excess of the act for 1907 over 1906, notwithstanding increases were made of $289,185 for the National Soldiers' Home, $75,000 for aid to State Soldiers' Homes, and $150,000 for pay and bounty of soldiers of the civil war and the war with Spain.

For printing and binding for all of the Departments of the Government the annual appropriation is reduced in the aggregate $900,000 for the fiscal year 1907. This satisfactory reduction in a most important branch of the public service is made possible because of legislation passed at this session of Congress and improvements and reforms in administration instituted by the present incumbent of the Government Printing Office.

SINKING FUND.

The amount authorized by a law enacted February 25, 1862, to be applied annually to the sinking fund out of customs revenues is 1 per cent of the entire debt of the United States, together with a further sum equal to the interest on all bonds belonging to the sinking fund, and, as stated, is estimated at $57,000,000 for the fiscal year 1907.

The total debt of the United States, less cash in the Treasury, has been reduced since August 31, 1865, when it reached its greatest sum, $2,756,431,571.43, to $981,954,692.84 on the 1st of June of this year, the actual reduction being $1,774,476,878.59, or $106,855,947.61 in excess of statutory requirements of the sinking fund, the excess redemptions having been made under a law first enacted in 1881, authorizing the purchase or redemption of bonds in addition to sinking-fund requirements, out of any surplus money in the Treasury.

It is not uninteresting to mention here that the total reduction of the public debt during the eight years of Democratic Administration of Mr. Cleveland amounted to $341,448,449.20, all of which was during his first term, when the fiscal policy of the Government was that of the Republican party, and that additional bonds were issued during the last four years of that unhappy period, ostensibly for the purpose of maintaining the gold standard, but in fact to raise money with which to meet the current expenses of the Government, amounting to $262,155,956.77, thus making a net reduction of only $79,292,492.43 in the national debt during the whole period of eight years of Democratic Administration since the close of the civil war.

In contrast with this record it is shown that during the nine fiscal years (1897–1905) of administration of the Government under William McKinley and Theodore Roosevelt the national indebtedness has been reduced by the application of $241,325,081.29 to the sinking fund, and, in addition, $50,000,000 has been paid for the right of way of the Panama Canal, $10,000,000 of the original appropriation has been expended toward construction, and $42,447,201.08 more has been appropriated at this session toward that greatest of all public works, without the necessity of issuing the bonds authorized by law to raise funds for its construction.

ESTIMATES AND APPROPRIATIONS.

The estimates submitted to Congress by the Executive Departments at the beginning of this session in the Book of Estimates for 1907 amounted to $804,296,415.47; subsequently, in supplemental estimates for the fiscal year 1907, other amounts were recommended aggregating $30,000,000, while for deficiency estimates there were considered sums aggregating not less than $46,500,000.

Appropriations made during this session for which no corresponding estimates were submitted, and which were made necessary chiefly by legislation enacted during the session, include $10,250,000 carried in the Statehood act, $1,000,000 for arming and equipping the militia, $2,500,000 on account of the earthquake and fire at San Francisco, $3,000,000 on account of meat inspection, $500,000 on account of the new quarantine law, $10,321,600 on account of public buildings, and other less conspicuous sums, aggregating in all about $31,000,000.

Deducting this amount from the total appropriations of the session, namely, $880,083,301.32, and comparing the balance of the aggregate appropriations of the session with the total estimates, it is shown that Congress has appropriated for the public service nearly $32,000,000 less than the estimates submitted by the Executive Departments for the public service for the fiscal year 1907.

So large a reduction in the estimates submitted to Congress indicates either extravagance in administration or careless consideration of the requisitions made upon Congress for appropriations. The latter is the fault most likely to exist, and entails upon the committees of Congress much, if not the greater part, of the labor they have to perform in considering and

formulating appropriation bills, in order that they may determine the amounts necessary for a wise and proper administration of government, as distinguished from those which are based upon extravagance and the self-interest of subordinate and irresponsible officials or the desire of others to magnify and enlarge the importance of bureaus and divisions over which they preside.

DEFICIENCIES.

The Urgent Deficiency and General Deficiency appropriation acts passed at this session carry in the aggregate $39,119,246.62. From this amount, however, there must be deducted $16,990,786 for the Isthmian Canal, which sum, though carried in deficiency acts, in no sense belongs in the category of deficiencies, in that it is not an annual appropriation, but is for a specific object or public work without reference to the limitations of fiscal years, and is reimbursable to the Treasury out of proceeds of bonds authorized to be sold for that purpose. Also there should be deducted sums not appropriated for indebtedness incurred for 1906, such as judgments and audited accounts; amounts for restoration of public buildings in San Francisco and replacement of military stores destroyed in that city by earthquake and fire; $3,000,000 for expenses of collecting customs during the fiscal year 1907 to meet an insufficiency in the permanent annual appropriations of $5,500,000 made for this object in an act passed in 1871, when our total customs receipts amounted to $206,000,000 as against more than $300,000,000 collected during the current fiscal year 1906, the whole aggregating a sum indicating that not more than the sum of $8,500,000 of the whole $39,119,246.62 was for actual deficiencies in appropriations for conduct of the Government during 1906. And in this sum there is included for payment of pensions $3,500,000, or nearly one-half of the whole amount.

Prior to the Fifty-eighth Congress deficiencies in appropriations made for the public service had become so common and had increased to such an extent that that Congress deemed it essential to enact legislation to prevent such deficiencies. Theretofore many of the Executive Departments proceeded on the theory that they, and not Congress, should fix the standard of public expenditure, and if the amount appropriated for the service under their jurisdiction was not in their judgment adequate, they proceeded to expend the appropriation upon the basis of their estimates and then at the next session of Congress would submit deficiency estimates which, if not allowed, would necessitate the suspension of the service.

It was this practice which prompted a distinguished Cabinet officer during this session to state before the Committee on Appropriations that this policy was the policy of coercive appropriations and should be stopped. In view of these increasing deficiency estimates the chairman of the Committee on Appropriations, the Hon. JAMES A. HEMENWAY, now serving in the United States Senate, reported in one of the general appropriation bills at the last session of the Fifty-eighth Congress a provision requiring the heads of the Departments at the beginning of each fiscal year to apportion appropriations, by monthly allotment, or otherwise, so as to prevent a deficiency, and that such apportionment when made could not be waived except by the head of the Department. The waiver was required to be in writing, stating the reasons therefor.

At the beginning of this session, when the deficiency estimates were presented, it was discovered that this act was defective in that it did not restrict the waiver of the apportionment beyond the giving of a reason. This enabled the head of the Department to waive the apportionment for any reason, and proceed to expend the appropriation regardless of whether such expenditure would create a deficiency or not. In some instances it was stated as a reason for waiving the apportionment that Congress had failed to appropriate the amount estimated by the Department to be necessary for a specific service, and the amount appropriated for the entire year having been practically all expended at the end of the third quarter, Congress was obliged to appropriate for the remaining quarter or suspend the service.

To correct this, and to prevent the Departments from determining how much should be expended for the public service regardless of the amount appropriated, the first appropriation bill reported at this session of Congress amended this so-called anti-deficiency law by expressly providing that the apportionment, when made, shall not be waived except upon the happening of some emergency or unusual circumstance which could not be reasonably anticipated at the time of making the apportionment. While the law as it was enacted by the Fifty-eighth Congress had a very salutary effect in preventing deficiencies, as it enabled this Congress to reject many deficiencies that otherwise might have been appropriated for, nevertheless it is believed that this law as amended at this session will practically wipe out all deficiencies in annual appropriations that must be apportioned, except in case of an emergency or other unusual circumstance which could not be anticipated either by the Department or by Congress.

The penalties which are imposed by this law on account of the failure to comply with it are such that it is believed that those who are charged with the responsibility of expending appropriations will so administer the service under their jurisdiction as to keep their expenditures within the amounts appropriated for the entire year.

There have been reported in other appropriation bills many legislative provisions, many of which have been enacted into law, restrictive in their character and imposing limitations upon departmental officers that will tend to improve administrative methods and effect economy in the public expenditures.

One provision reported in the Legislative, Executive, and Judicial appropriation bill is worthy of special mention. It is the provision enacted to put a stop to the practice of the several Executive Departments of the Government competing with each other for clerical services. It will have the effect also of preventing the demoralization which now happens as a result of clerks, as soon as they are appointed in one Department, seeking positions in another Department where the compensation is greater than that in the Department in which they are employed. This provision prohibits the transfer of any clerk from one Department to another until he has served in the Department from which he desires to be transferred at least three years.

Another, and still more important provision, as viewed by the Committee on Appropriations, is the one which is now a law as a part of the Sundry Civil appropriation act, requiring the heads of each Department in the future to report to the Secretary of the Treasury, within thirty days after the close of every fiscal year, a statement of all money received by them during the previous fiscal year for or on account of the public service or in any other manner in the discharge of their official duties, other than as salaries or compensation, which was not paid into the general Treasury of the United States, together with a detailed account of all payments, if any, made from such funds during said year.

It was ascertained by the Committee on Appropriations in the course of its investigations that in some fiscal years many millions of dollars, representing proceeds of public property or money derived from some source on account of the public service was being handled by Department officials without any account of the same being taken as a part of the receipts or expenditures of the Government. The fact that no dishonesty or irregularity has occurred because of this unbusinesslike method in the public service did not argue, in the opinion of the committee, that this effective precaution should not be taken against the possibility of breach of trust encouraged, or at least not guarded against, by the law.

While the expenditures of our Government are constantly increasing, and while the appropriations made therefor by Congress are in the aggregate very large, yet when we take into consideration the marvelous growth of the country, the extent to which the people demand that the Federal Government shall perform services that should be paid by the States, none but the unthinking or misguided who do not stop to consider the care with which the estimates for appropriations for the public service are scrutinized by the several committees having jurisdiction of appropriation bills can find any reason to criticise appropriations made during this session of Congress.

During the seven months of this session the Committee on Appropriations has spent practically all of the time in endeavoring to ascertain what appropriations can be eliminated without detriment to the public service, and what changes in administration should be made to reduce expenditures. The hearings on the several appropriation bills reported from the general Committee on Appropriations during this session cover nearly 4,000 printed pages, and comprise three large volumes. These hearings have been more extensive during this session than in any previous Congress—all for the purpose of avoiding unnecessary or extravagant appropriations.

Notwithstanding the aggregate amount of our public expenditures and the aggregate amount of the appropriations therefor, the per capita cost of Government in the United States, including Federal and State, is less than that in any European country, as shown by figures derived from authentic sources.

The following table gives a succinct history of the appropriation bills for the session, showing the estimates submitted, the bills as reported and passed by the House, as reported to and passed by the Senate, and as finally enacted, together with the amounts of the laws for the previous fiscal year:

History of appropriation bills, first session of the Fifty-ninth Congress; estimates and appropriations for the fiscal year 1906-7; and appropriations for the fiscal year 1905-6.

[Prepared by the clerks to the Committees on Appropriations of the Senate and House of Representatives.]

Title.	Estimates, 1907.	Reported to the House.	Passed the House.	Reported to the Senate.	Passed the Senate.	Law, 1906-7.	Law, 1905-6.
Agriculture	$7,626,210.00	$7,200,300.00	$7,481,440.00	$7,715,000.00	$7,847,700.00	$9,932,940.00	$6,882,690.00
Army	69,533,167.87	69,708,972.88	68,664,480.33	71,328,144.37	73,042,306.37	71,817,165.08	70,396,631.64
Diplomatic and consular	3,875,117.72	2,742,059.17	2,731,959.17	3,154,594.17	3,156,094.17	3,091,094.17	2,123,047.72
District of Columbia [a]	11,290,264.00	9,260,453.15	8,883,173.15	10,181,205.16	9,099,961.16	10,138,632.16	9,801,197.62
Fortification	8,053,112.90	4,858,993.00	4,838,993.00	5,618,993.00	5,278,993.00	5,053,993.00	6,747,893.00
Indian	8,212,528.23	7,846,276.13	8,109,369.63	10,557,306.64	10,376,542.64	9,220,399.98	7,923,814.34
Legislative, etc	29,234,471.05	29,134,181.80	29,310,193.30	29,755,914.30	29,815,559.30	29,741,019.30	29,136,752.06
Military Academy	1,707,394.17	1,663,115.17	1,663,115.17	1,669,427.67	1,669,427.67	1,664,707.67	673,713.38
Navy	121,595,718.82	99,734,215.77	100,609,633.27	103,070,670.27	103,117,670.27	102,071,650.27	100,330,679.94
Pension	141,345,500.00	140,245,500.00	140,245,500.00	140,245,500.00	140,245,500.00	140,245,500.00	138,250,100.00
Post-office [b]	193,210,070.00	191,396,288.75	191,487,568.75	192,485,868.75	192,485,868.75	191,695,998.75	181,622,053.75
River and harbor	[c]					[d]	[e] 18,181,875.41
Sundry civil	[e] 67,077,630.71	94,342,156.42	94,587,070.32	102,347,279.32	102,591,184.32	[f] 98,274,574.32	[g] 66,813,450.66
Total	664,220,025.47	658,112,522.24	658,612,506.14	678,129,964.65	678,636,807.65	672,987,734.70	638,289,939.52
Isthmian canal deficiency	16,500,000.00	16,500,000.00	11,000,000.00	11,000,000.00	11,000,000.00	[k] 11,000,000.00	
Urgent deficiency, 1906, and prior years	[h] 30,000,000.00	15,216,103.75	15,211,737.44	16,399,349.99	16,459,799.99	16,270,332.09	31,683,288.72
Urgent deficiency, additional, 1906, and prior years		136,646.42	136,646.42	276,925.51	317,425.51	274,925.51	
Deficiency, 1906, and prior years		10,242,194.79	10,884,959.95	11,549,385.68	11,597,498.68	11,573,989.02	
Total	710,720,095.47	700,207,467.20	695,825,849.95	717,355,605.83	718,011,531.83	712,106,981.32	669,973,228.24
Miscellaneous	[i] 30,000,000.00					[j] 28,000,000.00	3,375,086.72
Total regular annual appropriations	740,720,095.47					740,106,981.32	673,348,314.96
Permanent annual appropriations	[k] 140,076,320.00					[l] 140,076,320.00	146,836,320.00
Grand total regular and permanent annual appropriations	880,796,415.47					[m] 880,183,301.32	820,184,634.96

Amount of estimated revenues for fiscal year 1907, based on actual revenues for 1906	$600,000,000.00
Amount of estimated postal revenues for fiscal year 1907	181,573,264.00
Total estimated revenues for fiscal year 1907	781,573,264.00

[a] One-half of the amounts for the District of Columbia payable by the United States, except amounts for the water department (estimated for 1907 at $164,166), which are payable from the revenues of the water department.

[b] Includes all expenses of the postal service payable from postal revenues and out of the Treasury.

[c] No amount is estimated for rivers and harbors for 1907 except the sum of $14,000,000 to meet contracts authorized by law for river and harbor improvements included in the sundry civil estimates for 1907.

[d] No river and harbor act was passed for 1907.

[e] In addition to this amount, the sum of $10,544,132 is appropriated in the sundry civil act to carry out contracts authorized by law for river and harbor improvements for 1906.

[f] This amount includes $14,000,000 to meet contracts authorized by law for river and harbor improvements for 1907.

[g] This amount includes $17,318,976.14 to carry out contracts authorized by law for river and harbor improvements and $25,456,415.08 for construction of the Isthmian canal for 1907.

[h] This amount includes $10,544,132 to carry out contracts authorized by law for river and harbor improvements for 1906.

[i] This amount is approximated.

[j] This amount includes $10,250,000 under the Oklahoma and New Mexico act, and $10,321,600 for new public buildings, and is approximated.

[k] In addition to this amount the sum of $25,456,415.08 is appropriated in the sundry civil act and $5,990,786 in the urgent deficiency act, making the total appropriations passed at this session for the Isthmian canal $42,447,201.08.

[l] This is the amount submitted by the Secretary of the Treasury in the annual estimates for the fiscal year 1907, the exact amount appropriated not being ascertainable until two years after the close of the fiscal year. This amount includes estimated amount of $57,000,000 to meet sinking-fund obligations for 1907, and $22,000,000 estimated redemptions of national-bank notes in 1907 out of deposits by banks for that purpose.

[m] This sum includes approximately $31,000,000 not included in formal estimates from the Departments to Congress.

Appropriations of the Fifty-ninth Congress.

SPEECH

OF

HON. LEONIDAS F. LIVINGSTON,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, June 30, 1906.

The House having under consideration the bill (H. R. 20511) making appropriations for certain public buildings authorized by the act approved June 30, 1906, and for other purposes—

Mr. LIVINGSTON said:

Mr. SPEAKER: The accompanying table gives the appropriations made for the fiscal year 1898, the same being the first full fiscal year under Mr. McKinley's Administration, amounting in all to $528,735,079.30; and the appropriations made at this session for the fiscal year 1907, amounting to $880,183,301.32.

Heretofore, in the statements made in summing up the appropriations, I have compared the appropriations made under Republican control with those made by the Democrats in Mr. Cleveland's last Administration, which comparison was decidedly favorable to the record made by the Democratic party; but now I propose to compare the record made at this session of Congress with the appropriations made for the fiscal year 1898, the first full fiscal year of Mr. McKinley's Administration, or, in other words, contrast Republican record with Republican record.

Both of these fiscal years are years in which our country has been at peace with all nations of the earth. The fiscal year 1898 carried no appropriations for the Spanish-American war, those appropriations being chargeable to the fiscal year 1899 and subsequent years. The year 1907 is more than six years away from the Spanish-American war.

The comparison shows that we have appropriated at this session of Congress for the fiscal year 1907 the sum of $351,448,222.02 more than for the fiscal year 1898.

By the elimination of $42,447,201.08, appropriated this session for the construction of the Isthmian Canal, which I agree is entirely fair, there yet remains the difference of $309,001,020.94, as compared with the appropriations made for the fiscal year 1898.

Therefore this increase can not be explained away or charged to public improvements. Neither can it be justified by the claim that the increase is proportionate to the increased population of the country.

This growth in appropriations sustains the contention heretofore made by me, and which I now reiterate, that the Republican party stands for extravagance in public expenditures, in order to use that extravagance as a cloak for their more objectionable purpose of maintaining a high protective tariff to favor the trust combinations of manufacturers of the country.

A reduction of expenditures, they well know, would compel a commensurate reduction in taxation, and to that extent a lowering of the Chinese wall of protection that now surrounds the great body of consumers, who constitute the larger portion of our population, and compel tribute from them to the favored classes.

Much of this extravagance grows out of the practice prevailing with the present Administration of appointing commissions to do what Congress ought to do and what Congressmen are elected for and paid for, thus delegating the powers constitutionally belonging to Congress to others who have no particular

relations with or responsibilities to the public and do not render an accounting to the taxpayers of this country.

I desire to call the attention of the people of the country to the appropriations for expenses of the Army, Navy, fortifications, and pensions, which have been made by this Congress for the fiscal year 1907, amounting to $319,188,308.08, and that the sum represents more than one-half of our whole Federal expenditures, exclusive of the postal service, which virtually pays for itself.

The estimated receipts of the Government, exclusive of the postal service, for the fiscal year 1906 are placed at $589,093,000.

Therefore we have the startling knowledge that 55 per cent of the taxes paid by the people goes to maintaining the Army, Navy, fortifications, and payment of pensions.

Contemplate, if you will, the fact that of every one hundred cents collected from the people fifty-five is used for these purposes in a time of profound peace.

I know of no better method of comparison by which to impress the taxpayers of this great Republic of the fact that their annual appropriations are excessively high than to compare the sum of these four appropriations with the value of some of our farm products, as given by the Census of 1900.

This $319,188,308.08, required to meet army, naval, fortifications, and pension obligations, would have nearly paid for every bale of cotton raised in this country in 1899, valued at $323,758,171.

These appropriations would have lacked only $50,000,000 of paying for every bushel of wheat raised in 1889, valued at $369,000,000 in round numbers.

This amount would also have paid for all of the oats, barley, rye, buckwheat, broom corn, rice, clover seed, hemp, flaxseed, and grass seed raised in 1899 and would have purchased five tobacco crops such as was raised in 1899, and with a few millions to spare.

Our corn crop of 1899, valued at $828,192,388, could have been paid for with the total appropriations made at this session, and a few millions to spare.

If by the presentation of the above facts I can be the means of arousing the interest of the great mass of our population who are the producers of the wealth of the country and in that way call their attention to the enormous amount expended on the military side of our Government as against the lesser sum that is expended for the advancement of commerce and the development of the boundless resources of our land, I shall feel gratified indeed that I have made the effort. With full knowledge of the facts I am sure the people will stand for measures that tend for peace, for improving and developing our resources, for stimulating our foreign commerce and international trade by lessening the tax burden.

Let us appropriate liberally for measures that stimulate agriculture, manufacture, mining, and other pursuits that make for our industrial growth and prosperity.

There is a lack of interest on the part of Congress in paying the just indebtedness of the Government. Thousands upon thousands of just claims, due chiefly to our own people, are passed over, year after year. If the time and expense in their efforts to collect their claims could be presented to the world it would be astounding. Some simple, inexpensive, and swift method should be adopted by Congress to settle all claims as presented.

I wish to again bring to the attention of Congress and the the country the unbusinesslike practice of paying such large amounts for rent. In the city of Washington alone, Congress pays in round numbers $350,000. No one knows what percentage this is on the cost of buildings. No effort to find out has been made. With the best lights before me I assert that we are paying from 5 to 12 per cent on our rented buildings. The Government can float its bonds at 2 per cent. If Congress is not willing to cut expenses for the Army and Navy, then why not issue 2 per cent bonds and erect commodious and handsome buildings, thus saving annually $350,000 less the 2 per cent, and by this method aiding to beautify the city. The amount of rents outside of Washington City is enormous—post-offices, custom-houses, and other buildings absolutely necessary which should be owned by the Government.

If a farmer, well to do, with unlimited credit, should rent his lands upon which to farm, he would be considered a fit subject for a lunatic asylum.

DIVIDED AUTHORITY ON APPROPRIATIONS.

I wish to bring to the attention of Congress the fact that the division of appropriations among several committees was a serious mistake. Mr. Randall, in the Forty-ninth Congress, on a report on this subject, said:

The best interests of the people require that the subject of appropriations should mainly be committed to the charge of one committee—not that one set of men is abler or more honest than another set, but because experience has shown it is the safest course to pursue. Such body of men can make careful scrutiny into every detail by itself, and, in connection with others, and taking a survey of the whole field of receipts and expenditures, it will be responsible to the House to see to it that the latter shall be reduced to an economical basis, and kept within the limits of the public revenue.

If, in place of the responsibility and certainty of keeping appropriations within economical limits, we are to inaugurate a system of making appropriations by many committees, without regard each to the other or the amount of money involved, increased expenditures will ensue, and the party in power and responsible for the control of legislation in this House will be held to strict account by the people.

If you undertake to divide all the appropriations and have many committees where there ought to be but one, you will enter upon a path of extravagance you can not foresee the length of or the depth of, until we will find the Treasury of the country bankrupt.

Mr. Garfield, of Ohio, said:

It is a fact within the experience of every Member who has been here long, that the Committee on Appropriations always finds itself confronted with a demand from each of the committees having a special subject in charge for larger appropriations than the Committee on Appropriations think should be made. There never was a time, within my knowledge since I have been here, when the Committee on Military Affairs did not resist the tendency of the Committee on Appropriations to cut down the appropriations for the Army. The Committee on Naval Affairs has always been found resisting the reduction of the naval appropriation bill. For this reason, I say that if each of these several committees had charge of getting up the appropriation bills on these several subjects, the amount of the bills would be very large; they would outgrow the grasp of the House, and there would be no unity in the appropriations of public money.

I do say, sir, without the slightest question in my own mind of the truth of the statement, that the scattering of these appropriations as suggested by gentlemen here will be absolutely breaking down all economy and good order and good management of our finances. It can not be otherwise.

Senator Beck said:

The Agricultural Committee will frame the law and vote all the money they can, and no man not on that committee will know anything about it. So of the Post-Office Committee, so of the Naval Committee, so of the Military Committee, so of the District of Columbia Committee. They become autocrats, not only in the framing of the law, but in the appropriation of the people's money to carry it out; and outside of that committee room no man can get the information to enable him to contradict what they say if they are wrong; and they are selected because they are special friends of the Department they are appointed to represent; for each Secretary ought to have men he can trust, before whom he can present the wants of his Department here.

Senator Edmunds, chairman of the Judiciary Committee, said:

I wish to say that in the main part of the observations of my friend from Kentucky [Mr. Beck] I entirely agree. I think it would be injurious to the interests of the Treasury, and so to the interests of the people who supply the Treasury of the United States, to send appropriation questions for reports of sums to be appropriated to the various committees that have charge of the classes of the public service about which appropriations must be made, and that the practical result would be, if we divided them up, that the sum total of appropriations would be enormously increased.

* * * * * *

Senator Sherman said:

Sir, I would not do anything at all to weaken the restraint or power of the Committee on Appropriations. I believe that it is necessary, as my friend from Vermont says, to bring all the items of expenditures for the nation under the eye and control of one committee, so that they may limit the amount of expenditures.

* * * * * * *

Senator HALE said:

I know from my own experience that the tendency of the mind of a member of either of the other committees calling for appropriations each year—the Military or Naval Committee (I will speak of the latter because I have had service upon that committee)—is to gain all the power in appropriating money possible, and connected with that is the unerring result of desiring to have the power to appropriate more money. There has never been any exception to that. I think few Senators will dispute the statement that if all the business of the Committee on Appropriations was taken from it and given to the several committees we should then be confronted with a general scramble upon the part of each committee for more money.

Mr. CANNON said:

That committee having the exclusive power to propose legislation, and also to report the appropriations for the service, would be an autocratic committee without any check upon it with any other committee of the House. Now, I undertake to say when you give a committee of that kind that kind of power—you may put my friend from Maine [Mr. Reed] upon it, or you may put my friend from New York [Mr. Hiscock] upon it, or the gentleman from West Virginia [Mr. Gibson], or the gentleman from Pennsylvania [Mr. Randall]—they might make fair appropriations this session, and possibly next session, but, as the years roll around, so sure as the sun rises, that committee having exclusive jurisdiction of legislation and appropriations for that subject would abuse its jurisdiction and magnify its department.

Why, Mr. Speaker, when you come to select the committees which are to have charge of the business of the War Department, or the Navy Department, or the Post-Office Department, I take it, sir, that it will be your duty to select able men that have a knowledge of these different Departments; and not only that, but men who are friendly, if you please, to the Navy of this country, to the Army of this country, and to the Post-Office Department. You ought not, sir, to pick out enemies, and I do not believe you would do so. So when you have placed the power in the hands of the friends of these various Departments, and given them this exclusive jurisdiction of legislation and of appropriations, you have at once this abuse ready to come into this House and from Congress to Congress to run riot, blossoming and bearing the fruit of bad legislation and inordinate appropriations.

How truly did this our present Speaker predict the conditions of to-day. These committees that have power to legislate and appropriate are merely the representatives of specific Departments, and as foretold by Mr. CANNON are "bearing fruit of bad legislation." If this pernicious practice can not be changed, our appropriations will continue to "run riot." Mr. CANNON at that time suggested that all conferees between the House and Senate upon money bills should be selected from the appropriations committees of the House and Senate, with power to cut out unnecessary appropriations and scale down extravagant ones. Congress and the country need not look for retrenchment in expenses or appropriations under the present methods. Each of these committees with power to legislate and appropriate will continue to strive for the advantage to their particular Departments in the disbursement of the Government's revenue.

Perhaps I should in this statement have contrasted the appropriations for 1907—$880,183,301.32—with the total appropriations of 1899, that carried the bulk of the appropriations for the Spanish-American war, which amounted to $893,231,615.55, which shows a difference of $13,048,314.23 in favor of the war Congress.

Let me say in conclusion that in the long and arduous labors of the Committee on Appropriations at this session the uniformly kind, fair, and courteous treatment accorded to each member of the committee by its chairman [Mr. TAWNEY] deserves the commendation of the committee and country.

He has shown himself to be a master of details; he has honestly, conscientiously, and courageously performed his duty; and it affords me sincere pleasure to congratulate him on his well-earned success.

Appropriations for fiscal years 1898 and 1907.

Title.	Appropriations made for fiscal year 1898, the first full fiscal year under Mr. McKinley's Administration.	Appropriations made for fiscal year 1907, under Mr. Roosevelt's Administration.
Agricultural	$3,182,902.00	$9,932,940.00
Army	23,129,344.30	71,817,165.08
Diplomatic and consular	1,695,308.76	3,091,024.17
District of Columbia	6,186,991.06	10,138,692.16
Fortifications	9,517,141.00	5,053,993.00
Indian	7,674,120.89	9,260,399.98
Legislative, etc	21,690,766.90	29,741,019.30
Military Academy	479,572.83	1,994,707.67
Navy	33,003,234.19	102,071,650.27
Pensions (including deficiencies therefor)	141,263,860.00	[a] 140,245,500.00
Post-office	95,695,338.75	191,695,998.75
River and harbor (including amounts in sundry civil, deficiency, and special acts)	20,832,412.91	
Sundry civil (exclusive of amounts for rivers and harbors)	34,490,370.47	[b] 98,274,574.32
Deficiencies (exclusive of amounts for pensions and rivers and harbors)	9,096,417.34	[c] 39,119,246.62
Total	407,907,801.40	712,106,981.32
Miscellaneous	749,057.90	[d] 28,000,000.00
Total regular annual appropriations	408,656,859.30	740,106,981.32
Permanent annual appropriations (estimates)	120,078,220.00	140,076,320.00
Grand total	528,735,079.30	880,183,301.32

[a] This amount is exclusive of deficiencies.
[b] This amount carries $17,318,976.14 to meet river and harbor contract obligations.
[c] This amount includes all deficiencies.
[d] This amount includes $10,250,000 under the statehood act and $10,321,600 for new public buildings.

Regulation of Railroad Rates.

SPEECH

OF

HON. SOLOMON R. DRESSER,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, June 28, 1906,

On the bill (H. R. 12987) to amend an act entitled "An act to regulate commerce," approved February 4, 1887, and all acts amendatory thereof, and to enlarge the powers of the Interstate Commerce Commission.

Mr. DRESSER said:

Mr. SPEAKER: The record of the Republican party is one of which its every member may feel justly proud. It is a record of achievement—a record not only of things done, but of things most admirably done. That record covers a period of nearly fifty years, every one of which has added dignity to the party, and through that party glory to the country.

I am proud to be known as a member of that party, and in my feeble way am glad to be able to support this bill. In doing so I do not renounce one iota of my regard for corporate achievement, or one particle of my devotion to legitimate corporations and their proper development and worth. Corporations are not wrong in themselves, nor are they an evil to be ruthlessly abated. Corporations are engines of good, and the far greater number of them have proven their right not only to live, but to live honored and approved of all men. The growth of America is largely due to the growth and development of American corporations. They supplement individual worth and prowess, and make them powerful and fruitful. Corporations do in mass what individuals as such are powerless to do. American ideas have been enriched by the records of its corporate powers. There is hardly a town in all the land but has scores of these corporations working out ideals which individuals could not accomplish, but which were most fruitful of good to the people at large.

I believe in corporations and am an advocate of their worth. They make great legitimate enterprises fruitful; they enable weak individuals to do greater things; they show the power of concentration, and illustrate the value of aggregation. In their aggregate they are the greatest mechanism for commercial achievement and national good.

Nor have I any cause to wish the destruction of railway corporations or any wish to injure their legitimate business. Why should I desire to strike down our railway corporations? For sixty years they have been writing American history and they have been writing it in letters of enduring purpose—in letters of ever-increasing majesty and power. They have been a factor in the development of every American enterprise; they have converted our illimitable forests into fertile fields; they have opened our mountain fastnesses and made them sources of wealth; they have planted towns and built cities; they have built up a commerce that has no rival in all the history of the world, and have builded our national wealth as no other agency has done.

The statistics of our railroads are almost fabulous, but they are absolutely true. In 1830 there was not a railroad in the United States that was worthy of the name. On June 30, 1905, we had 214,477 miles of railroad track, the greatest amount of any single country in the world. More than that. Two-fifths of all the railroad mileage of the world is to be found within the limits of the United States, and 25,000 miles more are credited to us than to all Europe.

The par value of our railroad capital, according to the report of the Interstate Commerce Commission for the year ending June 30, 1904, was $13,213,000,000, and the commercial valuation $11,000,000,000. These are wonderful figures and become more wonderful by comparison. The census of 1900 placed our entire national wealth at $94,000,000,000, and it is to-day very nearly $110,000,000,000.

The railroad corporations of the country own about one-tenth of our entire national wealth and are to be reckoned with as factors of power, inseparably connected with the growth and development of every other interest of the land. The capital stock of these companies is not held by the managers of the roads exclusively, nor by capitalists whose wealth runs into millions or tens of millions of dollars. It is held by merchants, manufacturers, farmers, and men of smaller means. The subscription books show investments by all classes of people, women as well as men. To injure the earning power of these companies is to injure all these people, and so far as I am concerned I have no such purpose, nor do I believe the bill will have that effect.

The gross earnings of American railroads for the year ending June 30, 1905, were $2,073,000,000, made up of $572,000,000 from passenger service and $1,440,000,000 from freight. These figures show an earning per mile of $9,666, or a greater average than for any preceding year. The operating expenses for the same year were $1,383,000,000, or an average of $6,451 per mile. The net earnings for 1905 were $689,592,000, as against $634,674,000 for 1904.

These roads in 1905 also received $114,636,000 income from investments, making the total net income for 1905, $804,229,000. This net income was distributed into payments of interest, rent for leased lines, permanent improvements, taxes, and dividends. The taxes were $58,000,000 and the dividends $196,080,000, leaving a surplus of $90,000,000.

These roads gave employment to 1,296,121 people, who received as wages the enormous sum of $817,598,000.

The passengers carried numbered 715,419,682, and the number of tons of freight 1,309,899,000. The average passenger rate was 2 cents per mile, and the average freight rate per ton per mile seventy-eight hundredths of a cent.

This is a great showing, and indicates not only the magnitude of railway interests, but also their relative importance to all other interests.

But after giving railroads full credit for their great and inestimable worth, there is still room for the just complaint that these railroads have not dealt fairly at all times between man and man, nor between section and section. The history of the Interstate Commerce Commission discloses not only a great difference between the rates of 1887, the beginning of the Commission's existence, and the preceding years, but a great regularity of reduction in rates since the regulation began. That history also shows that rebates have been given by railroads to one set of men, or to one locality, and denied to others. That history shows that a series of discriminations were practiced by railroads which enriched one set of men, or one locality, at the expense of another.

So great were these evils as to cause long and continued complaint from all classes of shippers throughout the country. They furnished propaganda for the rise and growth of socialistic ideas, and have brought into prominence the pernicious idea of government ownership of railroads and all other utilities. The political parties of the country have been forced to pronounce upon the question, and it has been widely discussed by men of all parties upon all platforms.

At the last session of Congress the Townsend-Esch bill was passed by this body, but failed in the Senate. During the recess the railroads, unwisely as I think, attempted to create a public sentiment against government regulation of rates, by flooding the country with literature denouncing such legislation. They attacked not only the principle of rate legislation, but went further and attacked the Commission itself. It is admitted by all prudent men that regulation of the railroads by a government commission is wise, and this is also admitted by some of the roads. It is admitted that the existence of the Commission, although without power to do much, has been of untold value to shippers. Rebates and discriminations have decreased, and in the matter of rates there has been a gradual but continuous reduction.

But despite all this there still remained a modicum of evil, and this evil became the cause of a continued complaint. The Supreme Court of the United States decided that Congress had the right to confer the rate-making power on the Commission, but that Congress had not done so under the law of 1887.

So general, however, was the complaint, that the Chief Executive of the United States became convinced of its truth, and in his strenuous way began the study of a remedy. His character for fairness was so well established in the minds and hearts of his countrymen as to make his decision upon all questions worthy of their most serious attention.

The President of the United States, at the opening of this session of Congress, sent in a vigorous message upon the question of railroad rates, a part of which was as follows:

> As I said in my message of December 6 last, the immediate and most pressing need, so far as legislation is concerned, is the enactment into law of some scheme to secure to the agents of the Government such supervision and regulation of the rates charged by the railroads of the country engaged in interstate traffic as shall summarily and effectively prevent the imposition of unjust or unreasonable rates. It must include putting a complete stop to rebates in every shape and form. This power to regulate rates, like all similar powers over the business world, should be exercised with moderation, caution, and self-restraint; but it should exist, so that it can be effectively exercised when the need arises.
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> The first consideration to be kept in mind is that the power should be affirmative and should be given to some administrative body created by the Congress. If given to the present Interstate Commerce Commission, or to a reorganized Interstate Commerce Commission, such Commission should be made unequivocally administrative. I do not believe in the Government interfering with private business more than is necessary. I do not believe in the Government undertaking any work which can with propriety be left in private hands. But neither do I believe in the Government flinching from overseeing any work when it becomes evident that abuses are sure to obtain therein unless there is governmental supervision. It is not my province to indicate the exact terms of the law which should be enacted, but I call the attention of the Congress to certain existing conditions with which it is desirable to deal.
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> In my judgment, the most important provision which such law should contain is that conferring upon some competent administrative body the power to decide, upon the case being brought before it, whether a given rate prescribed by a railroad is reasonable and just, and if it is found to be unreasonable and unjust, then, after full investigation of the complaint, to prescribe the limit of rate beyond which it shall not be lawful to go—the "maximum reasonable rate," as it is commonly called—this decision to go into effect within a reasonable time and to obtain from thence onward, subject to review by the courts. It sometimes happens at present, not that a rate is too high, but that a favored shipper is given too low a rate. In such case the Commission would have the right to fix this already established minimum rate as the maximum, and it would need only one or two such decisions by the Commission to cure railroad companies of the practice of giving improper minimum rates. I call your attention to the fact that my proposal is not to give the Commission power to initiate or originate rates generally, but to regulate a rate already fixed or originated by the roads, upon complaint and after investigation. A heavy penalty should be enacted from any corporation which fails to respect an order of the Commission. I regard this power to establish a maximum rate as being essential to any scheme of real reform in the matter of railway regulation. The first necessity is to secure it, and unless it is granted to the Commission there is little use in touching the subject at all.
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> Illegal transactions often occur under the forms of law. It has often occurred that a shipper has been told by a traffic officer to buy a large quantity of some commodity, and then, after it has been bought, an open reduction is made in the rate, to take effect immediately, the arrangement resulting to the profit of the one shipper and the one railroad and to the damage of all their competitors, for it must not be forgotten that the big shippers are at least as much to blame as any railroad in the matter of rebates. The law should make it clear, so that nobody can fail to understand that any kind of a commission paid on freight shipments, whether in this form or in the form of fictitious damages or of a concession, a free pass, reduced passenger rate, or payment of brokerage, is illegal. It is worth while considering whether it would not be wise to confer on the Government the right of civil action against the beneficiary of a rebate for at least twice the value of the rebate. This would help stop what is really blackmail. Elevator allowances should be stopped, for they have now grown to such an extent that they are demoralizing and are used as rebates. * * *
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> All private car lines, industrial roads, refrigerator charges, and the like should be expressly put under the supervision of the Interstate Commerce Commission or some other similar body as far as rates, and agreements practically affecting rates, are concerned. The private car owners and the owners of industrial railroads are entitled to a fair and reasonable compensation on their investment, but neither private cars, nor industrial railroads, nor spur tracks should be utilized as devices for securing preferential rates. A rebate in icing charges, or in mileage, or in a division of the rate for refrigerating charges is just as pernicious as a rebate in any other way. No lower rate should apply on goods imported than actually obtains on domestic goods from the American seaboard to destination, except in cases where water competition is the controlling influence. There should be publicity of the accounts of common carriers; no common carrier engaged in interstate business should keep any books or memoranda other than those reported pursuant to law or regulation, and these books or memoranda should be open to the inspection of the Government. Only in this way can violations or evasions of the law be surely detected. A system of examination of railroad accounts should be provided similar to that now conducted into the national banks by the bank examiners; a few first-class railroad accountants, if they had proper direction and proper authority to inspect books and papers, could accomplish much in preventing willful violations of the law.

The tone of this document is admirable and it met with a hearty response from all Members of Congress, irrespective of party. And the press of the country was almost unanimous in its commendation, thus stamping it to the fullest with popular approval.

A bill enlarging the powers of the Interstate Commerce Commission, known as the "Hepburn bill," was introduced into this body and referred to the Committee on Interstate Commerce. That committee, made up of twelve Republicans and six Democrats, reported the bill back unanimously, and this House by a vote of 346 to 7 passed it and sent it to the Senate for approval.

That body discussed it for several months and passed it with several amendments more drastic in their provisions than were the sections of the original bill, except that a court-review amendment was provided somewhat more liberal than that contained in the House bill.

The bill was sent to conference and the conference committee has presented its final report, which is now before us for discussion and vote. I shall vote for the amended bill, not because it is the bill I would favor above all others, but simply because it is the best measure that can be passed.

It improves the law of 1887 by conferring upon the Interstate Commerce Commission the right to fix a just and reasonable rate wherever complaint is made against a given rate and the Commission finds the complained rate unjust and unreasonable. Under the old law the Commission had the right under the decisions of the court to declare a rate unjust and unreasonable, but could not change it, inasmuch as Congress had not authorized the Commission to go that far.

This bill corrects that evil. It does not authorize the Commission to go into the general business of making rates. That is left where it ought to be left, with the railroads themselves. The Commission, upon complaint made by any shipper against any declared rate, may investigate that rate, and if unjust and unreasonable, fix a rate which shall bind the railroads, unless set aside by the Supreme Court of the United States.

By this bill we give the people the right to correct all extortionate charges, without denying the railroads their rights in court. We have simplified the court machinery so as to make it impossible for rich and powerful railroad companies to override the people through injunctions without notice and interminable appeals.

Any farmer, any merchant, any manufacturer has the right to complain and be heard by a body authorized to hear and finally decide a rate. An appeal may be had to the Supreme Court of the United States, but it must be done within a nar-

rowly limited time. That court will have before it but the single question, "Does the rate fixed by the Commission take the property of the railroad company without the due process of law?" or, in other words, "Is the rate confiscatory?" Injunctions may not be issued by a judge sitting alone nor without notice.

All of these provisions are fair to the shippers and equally fair to the railroad companies, and it is to be hoped that they will put an end to the wrongs we have so long been forced to bear.

In the matter of rebates and discriminations the railroads themselves admit the enormity of the evil, and claim that they themselves have been gradually breaking away from the practice. It is certain that they can break up the business of any man by granting rebates against him. It is certain that they may cause lasting injury to localities by discriminations and favors. They have ruined men by rebates and destroyed the prosperity of towns by unjust discriminations.

This law promises to break up all rebates and discriminations, and to do it effectually. Our rates are said to be the lowest in the world, and there is no serious objection to the general schedule of railroad rates. The objection is that the rates are not adhered to and that unfair discriminations are given to some people and denied to others. This bill proposes to make all railroad companies not only declare fair and reasonable rates, but to make them adhere to them everywhere after they are declared. None of these provisions can in any sense cripple the railroads in their effort to earn a fair dividend for their stockholders. The publicity of rates is provided for in an adequate system of posting, and reports are demanded under a heavy penalty.

Railroads are limited to the business of carrying, and forbidden to engage in other business. Pipe lines are made common carriers, but are excepted from the commodity provision of the act.

The free transportation of State and National officials on railroads is forbidden, and the scandals growing out of the free pass to men engaged in State and National legislation will flourish no longer.

In none of these particulars is the legitimate work of railroads affected. They still regulate their own business under a limited regulation of government which seeks to keep them from doing wrong. All that is asked is fair and equal treatment for all, and with the hope that every farmer, every merchant, and every manufacturer may have a square deal when dealing with railroad companies, I cheerfully vote for the bill.

The Immigration Bill—An Educational Test a Wise Restriction.

SPEECH

OF

HON. JOHN H. SMALL,

OF NORTH CAROLINA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, June 25, 1906.

On the bill (S. 4403) to amend an act entitled "An act to regulate the immigration of aliens into the United States," approved March 3, 1903.

Mr. SMALL said:

Mr. SPEAKER: I wish to submit a few brief observations upon section 38 of the bill now under consideration, which provides a mild educational test. There could be no test more simple or elementary. The only condition is ability to read English or some other language or dialect. If I interpret public sentiment correctly, there is justification for the restriction of immigration by Congress. Whatever reasons may have existed in the past for keeping open wide our ports to aliens, the limit of generosity has been reached, and we owe something to our own selves, to our institutions which we cherish, and to the essential principles of this Republic, which we must maintain.

As I view the simple educational test prescribed by this section, no one can oppose it without placing himself in a position inconsistent with the genius of our institutions and with the social and economic policies to which we are irrevocably committed. This is somewhat of a bold proposition which I lay down, and yet I think it may be maintained sufficiently for the purposes of this discussion by citing two familiar truths connected with our past and present progress to which all will yield ready assent.

At all times in our history, ever since Franklin expounded his quaint philosophy of industrial thrift, we have preached upon all occasions the dignity and respectability of labor. We have said that all labor which was legitimate and was actuated by a worthy purpose was at the same time honorable. It has been further one of the elements of pride in our institutions that intelligence and industry were not only consistent but necessary to the end that labor might accomplish the best results, both as to quality and quantity. It has been our pride that manual labor even for those men trained in the high schools and colleges is no disgrace, but is helpful in laying true and deep the foundations for future success.

We have, further, for almost a century inculcated the doctrine that there was no proprietary or individual right to education by the few. We have held that every child in the community has the right to an opportunity to attend the schools, and equally we have contended that it was the duty of every community, by taxation, no matter how great the sacrifice, to provide this opportunity to every child. We have not stopped at this stage, but it has become the settled policy of almost every section of our country that the community and the State could not permit one child to grow up to maturity without having received the benefits of at least an elementary training in the public schools, and therefore we have laws in more than two-thirds of the States in the Union compelling every child to attend the schools for a certain period between certain ages. Every section and every State has not made equal advancement in the application of these good doctrines, but there is scarcely a section where they will be controverted, and even where they have not been brought to their full fruition the sentiment for universal education has taken root and is spreading everywhere.

Of course it is nowhere contended that a mere elementary training, no matter how general the condition may exist, is a cure for all the ills of the body politic, nor do we contend that the possessor of such a training is always industrious or possesses the other elements of citizenship. It is simply contended that a certain degree of mental training is not inconsistent with good morals and that it is absolutely essential to intelligent labor and individual progress. It is only stating a truism to say that the best thought of the world advocates mental and manual training along with the moral cultivation of the individual.

Now, if these two propositions, economic and social, have been so thoroughly ingrafted upon our national life, why should we admit into the family of this great Republic, to participate in the administration of our institutions and to share its blessings, aliens who have reached the years of maturity and who are unable to read even their native language? Mind you, they are not required by the terms of this act to read the English language, but the ability to read any language or dialect is sufficient.

There were, as above indicated, some reasons in the early days of the Republic why we should let down the bars, but conditions are now so entirely different, and our institutions are threatened to so great an extent, that self-preservation demands some reasonable restrictions.

To show the inconsistency of gentlemen who oppose this mild educational test, let me ask them the question how we have heretofore taken care of the thousands of immigrants who have come to us. The adults who came had been reared under monarchial institutions, unaccustomed to individual liberty, and with no conception of the duties of citizenship under a democracy. Ordinarily, it would be dangerous to introduce such a discordant element in such large numbers into participation under a Government like ours. In what manner have we assimilated this large immigration, and with what success have we met? I will tell you the method which has made this assimilation possible. It was through the instrumentality of our public system of education. The children of these immigrants were compelled to attend the public schools. They were taught our language, they learned the essentials which had made us a great Republic, and they acquired a respect for our laws and a love for our flag. Thus the children were assimilated into our population and made a homogeneous part of our people. While the process of training children to become true American citizens was going on, the parents, through their parental love and pride, were held in restraint and themselves made better citizens in their respective communities.

For several reasons this burden of assimilating the masses of immigrants has grown more onerous during the present decade. This may be attributable in some degree to the more undesirable classes, in part to the greater numbers, and in part to their locating in congested centers of population instead of being scattered throughout the country. Whatever the cause may be, the best intelligence of our people demands that some reasonable

restrictions be imposed, at least sufficient to enable us to receive the alien classes more slowly and to make a better selection among those seeking to make their homes among us.

It may be interesting to refer to the objections urged against the application of this educational test. It was said by the gentleman from Missouri [Mr. BARTHOLDT] that the enactment of this clause would violate some of our treaty obligations, or, rather, that particular feature of such treaties which guarantees to the other powers all the rights of the most-favored nations. I have not time to go into this matter, but in my opinion such objection is untenable, and in that I am glad to be fortified by the gentleman from Massachusetts [Mr. GARDNER] and others who have examined this specific question.

Only one other objection has been submitted, and that involves the question of labor. It has been seriously contended here that the more ignorant and illiterate the European immigrant is, the more efficient he is in unskilled and rough labor. The gentleman from Massachusetts [Mr. KELIHER] asked with some concern where they would find in the city of Boston sufficient labor to dig, excavate, and to engage in other laborious toil if the illiterate immigrants were to be excluded from our shores. As much as I respect the gentleman's learning and patriotism and loyalty to his constituents, I must say that such a declaration from a Representative from the city of Boston excites my surprise. Massachusetts is the State of all others which nearly a century ago inaugurated the crusade for public education and which has maintained the consistency of mental training with the dignity of labor.

Mr. Speaker, around these propositions are centered all the objections which have been made to the educational test in this bill. Let me assure gentlemen that we will not be able in this period of our history to establish the proposition that a class of our people must be kept in ignorance in order that they may be set apart to perform the hard and disagreeable and unremunerative labor. This is the doctrine which the thought and better sentiment of every section is endeavoring to eradicate, and the country will not take kindly to any backward movement.

Mr. Speaker, the whole argument against this educational test, which thus wisely seeks to restrict immigration, is absolutely untenable. It is un-American in spirit, it is false to the ideals of a better democracy, and it is injurious to the best interests of labor. It is a false and discordant note in our march of industrial development. It is absolutely inconsistent with the most cherished traditions of the past and our fondest hopes for the future. [Applause.]

Collection of the Revenues.

SPEECH

OF

HON. ABRAHAM L. BRICK,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, June 26, 1906,

On the bill (H. R. 19750) to amend an act entitled "An act to simplify the laws in relation to the collection of revenues," approved June 10, 1890, as amended by the act entitled "An act to provide revenue for the Government and to encourage the industries of the United States," approved July 24, 1897.

Mr. BRICK said:

Mr. SPEAKER: I want to say something about watches and the tariff.

I have listened again to the gentleman from Illinois [Mr. RAINEY] stultify his own State and its proudest industry, and traduce his own country and its most magnificent policies and prosperity. Mr. Speaker, I believe in erecting, not tearing down. I don't want to win on the woes of my country. I don't want to live in a national graveyard where the tombstone marks the grave of a dead glory. I don't want to dwell amidst the ruins of dismantled industry. No; I want to belong to that party and that country that are successful, always successful together. Mr. RAINEY may wail against destiny. He may tell you that we are neither prosperous nor happy. He may invite you to come with him and live among the conditions that prevail in foreign countries. He may appeal with demagogic phrase to a jealous weakness and human discontent; but I believe he underestimates the intelligence of the American people. I believe the American people will stop long enough in the busy whirl of the most splendid industrial condition of the world to trim the lamp of honest, sincere thought, and when they do—when they do they'll know that the same spirit which has touched them all with joy and hope in the past and present will come nearer giving them what they want in the future than any other power under God's providence.

He says our tariff policies have not only decreased our watch factories, but that they have enabled these we have to sell cheaper abroad than they do at home.

What a strange and discordant alliance those two propositions would make, if it were true.

Now, I believe in a tangible reality rather than a scheming political theory, and if I wanted to learn the exact truth about a matter that meant the weal or woe of my life, I would go rather to the practical business man who knew all about it; I would go rather to the patriotic American citizen, whose every interest lay in the prosperity of the country, than to the man who belonged to a party whose main hope of success dwells in the crumbling chaos of calamity.

I live in the beautiful city of South Bend, Ind., that gems the glory of the St. Joseph valley—the loveliest, happiest valley the sun in all of its ceaseless wanderings ever looked down upon. For over four decades South Bend has multiplied itself, through its manufacturing industries, in teeming prosperity and unexampled peace and contentment.

It has done all this under a protective tariff, and it will continue to do so if protection survive. Among its splendid enterprises—many of them the greatest in the world—South Bend also has a watch factory—the South Bend Watch Company—presided over by the inspiring genius of the great Studebaker Wagon Works, by far the greatest on the great round globe.

Now, Mr. Speaker, when this watch question came up through the devastating desire of the gentleman from Illinois, I went to Mr. Studebaker to discover the truth of it. I went to him for two reasons: First, he would know exactly what he was talking about, and, second, because he would tell me the truth.

He has no interest but prosperity, no partisanship but patriotism. And now, Mr. Speaker, this is what he says about the tariff on watches, and our domestic and foreign trade in reference to same. I commend it to you for its simple, direct business clearness and sincerity:

SOUTH BEND, IND., *May 19, 1906.*

HON. A. L. BRICK,
Member of Congress, Washington, D. C.

MY DEAR ABE: Noting yours of the 2d, as briefly as possible I will review the tariff question, the Rainey speech, our position regarding the tariff, as well as those of the trade journals, in the hopes that I may make clear to you our idea of the whole affair, although it is like some other subjects where a whole book could be written pertaining to same.

Mr. RAINEY, in his speech, has brought out the Keene matter of New York. There is more than one reason why Keene has advertised goods and sold them as he has, and I dare say that the principal one is that he has been at swords' end with what is commonly termed the "Big Four," which are the American Waltham Watch Company, of Waltham, Mass.; the Crescent Watch Case Company, of Philadelphia; the Elgin National Watch Company, of Elgin, Ill., and the Keystone Watch Case Company, of Newark, N. J.

The Waltham company make movements only, and they are put on the market and sold in Crescent watch cases. The Elgin National Watch Company sell their watches to the Keystone Watch Case Company for export, and they are exported by the Keystone Watch Case Company, of Riverside, N. J.

It was these companies' intention to cut him off the list, so that it would be impossible to secure their goods, but it is easy enough to secure goods when they are distributed as extensively as are those in question. Some he has secured from abroad. Most of the watches that are sent abroad are manufactured exclusively for that trade, and where ordinarily watches are made in nickel, most of these export goods, as manufactured by these larger companies, are made in brass and gilded; consequently these movements could be sold cheaper than those sold in this country.

We are using nickel in the manufacture of South Bend watches, because the metal is harder, it finishes nicer, and all in all is more durable and will prolong the life of a watch movement for, I dare say, five or ten years longer than with ordinary brass.

It has been said that there is as much difference between nickel and brass as there is between a jewel and nickel, as far as the bearings are concerned. When the pivots run in brass plates there is an opportunity of these pivot holes wearing larger and the train or wheels becoming out of upright, out of line, so to speak. Nickel plates are so much harder that this does not occur so easily, and of course the jewels do not wear at all. This is where the importance of jewels come in, as there is no metallic dust created that would naturally wear these bearings away and make them irregular in shape, and the movements irregular as to time. It is said that these movements that are ordinarily manufactured for export by these larger companies are cheaper movements.

Mr. RAINEY has endeavored to show that there are fewer watch factories in this country than there were years ago, and in answer to his argument I would call your attention to an article appearing in the American Jeweler of the May issue. I am sending this matter for your careful reading. It will be unnecessary to go into details regarding the good arguments brought out in this article. It will explain itself.

It is the opinion of the writer that meddling with the tariff on watches would be detrimental both to the manufacturer, the employees, and the retail trade in general, also the consumer, for these reasons: Beginning with the manufacturer, if he were compelled to manufacture goods as cheap and in such abundance as have the foreign watch manufacturers, the quality would certainly have to be reduced and made like those that were sent abroad, in order to compete with their low prices.

The operatives would be losers if the tariff was reduced for the reason that in order to cut down expenses and to compete with this

foreign trade, manufacturers could not afford to pay the wages that are now being paid in every factory in the United States. Here the writer would mention one reason why export business is, in a way, beneficial to the operatives as well as to the company.

During the year 1893, when the last severe panic was experienced in this country, the Elgin National Watch Company had no foreign trade, and was compelled to lay off nearly its entire working force. This was not the case with the Waltham Company, who had looked farther ahead and were prepared to sell their watches throughout the various foreign markets. An extensive foreign market is very desirable in order to safeguard the industry at home, and to prevent the employees from being turned out of employment in the times of financial depression.

The result was that they kept their organization together, and when the times picked up their experienced help was there at hand, while with the Elgin Company I dare say that as high as 30 per cent of the experienced help that drifted away during this lay off were never regained.

One reason why foreign watches can be sold in this country cheaper than one would suppose is because, in many cases in Europe, especially in Switzerland, scholars pay a tuition to learn some branch of the business or to learn it at all, while in this country a green operator must be paid as much as one who has been in the business in Switzerland for a number of years.

Believing that the article I am inclosing and clipping from the American Jeweler, published in Chicago, will cover all of the ground not mentioned in this letter, and if there is any further information that you feel will be of assistance to you, I should be pleased to take the matter up with you again.

In closing, I would mention a few of the things that we are endeavoring to do: First, to manufacture watch movements of quality and those of quality only. To market them in such a way as to have both the dealers and consumers realize that they are goods of quality.

We have not considered foreign trade, although we have in our files many requests to enter into foreign countries, and we have in each instance replied to these inquiries stating that it was our intention to take care of the home market first; and whenever we have had an interview with any of these foreign representatives, it has proven itself to us the goods that they desire are of a much cheaper class than we ever contemplate manufacturing.

It is the opinion of the writer that the consumers who buy watches of quality, watches that are made exclusively for the American trade, of the best materials and finish, by well-paid and experienced watch makers, will pay them the best in the end, and patronizing the home market is asking no more than to keep the dollars at home.

Mr. Speaker, he supplements his letter by reference to an article in the American Jeweler, which I will insert:

THE IGNORANCE (?) OF MR. RAINEY.

Congressman HENRY T. RAINEY says that "in 1870 there were thirty-seven watch factories in the United States; in 1900 there were only thirteen." Let us see the facts: In 1870 the Waltham, Elgin, and Howard companies were successfully making watches and the Cornell, United States, and New York Watch companies were unsuccessfully trying to make them, while the Illinois company was erecting a plant at Springfield. Here, then, were three companies in operation and four trying to enter the field at the date he names. How does this compare with the thirty-seven for whom he mourns?

As a matter of fact there have not been thirty-seven attempts to manufacture watches in the United States since 1842, counting as separate attempts all the organizations and reorganizations of the unsuccessful companies. For instance, the Fredonia, the Independent, the Cornell, and the California watch companies were organized with the same set of machinery and largely the same people. Counting all these reorganizations as separate attempts in all instances, there have not been thirty-seven since 1842.

Mr. RAINEY is unfortunate in his selection of an instance with which to illustrate his argument. There were three successful watch factories in 1870 and in 1900, notwithstanding the terrible oppressions of the "trust," there were seventeen, counting the productions of the clock companies as watches of the cheaper order, and taking into account only those companies which have been successfully marketing their product. Surely the growth from three companies in 1870 to seventeen in 1900, thirty years, is satisfactory evidence that there has been no monopoly in the manufacture of timepieces.

Now, as to prices and qualities. In 1870 a watch that would pass the railroad inspection tests of to-day would have cost the purchaser $125, if it could be obtained at all; to-day it is sold to the consumer for $35. The watch which sells to-day for $10 is superior in time-keeping, finish, strength, and general utility to the $50 movement of 1870. This merely illustrates the constant reduction of prices and increase of quality which is going on in the American watch industry. The seventeen companies constantly fighting for business can be depended on to keep prices within reasonable limits in their efforts to displace each other.

Mr. RAINEY is also disingenuous in his manipulation of prices in order to work up Democratic indignation. He compares the American retail price of a single watch with the foreign price in wholesale quantities. He does not know (or it does not suit him to state) that the foreign retail price to the consumer is about the same as that paid by the American consumer; in many instances more. If he did this there would be no argument and consequently no chance to make political capital.

Finally, he does not know, or, if he does, he willfully refrains from stating, that the bulk of the Keystone-Elgin watches used in his argument are not sold in this country at all. They are gilt movements made especially for foreign trade and sold abroad direct to the retailer, while in the United States the watches are distributed through jobbers, who must buy in large quantities and distribute in small quantities. It is the same sophistry that was used in the nineties with the prices of agricultural machinery, the spot-cash wholesale prices of the factory being compared with the time price of a single plow to the consumer.

Railroad grades of Elgin make are not exported in any appreciable quantity, as records show that only 37 of these watch movements were sent abroad to Europe in five years, and the highest grade, the 22-jewel varieties, was not included in this number.

Political business and business politics have some funny angles. During the Cleveland Administration, in the nineties, the advocates of free trade pitied the poor, downtrodden farmer who had to pay twice as much for a plow as the exporter paid who sold the same goods to South America. They worked up quite a feeling, which threatened to interfere seriously with the profits of the dealer in agricultural implements. Then the dealers got after the politicians and threatened to relieve them of their jobs if the politicians kept up the hue and cry about the "exorbitant" prices of agricultural implements. Most of them "saw a great light" and the plow and harvester agitation was dropped as suddenly as it commenced, or rather it was switched to tin plate. The tin-plate people were not organized and had not as effective a distributing agency as the implement dealers, but they got together and the cry was again changed from the "tin cup" to the "full dinner pail."

Now another attempt is to be made to secure free trade in this country and the American watch has been selected to bear the brunt of the attack and serve as the "horrible example." The Democrats have been feeling about for an opening for some months, as will be recollected when we recall the recent agitation concerning hides, harness, leather, and shoes, but the shoe men were too well organized and watches were selected. You see, the cry must possess personal interest to nearly everybody in order to be effective politically. Everybody wore shoes, but there was too close organization there, both among dealers, who could make votes, and among employees, who were too numerous and too closely knit together in labor unions to make it advisable to tamper with their sources of livelihood. The retail jewelers are not organized; the watchmakers have no unions; everybody wears watches; therefore watches. "The people are being robbed!"

Congressman HENRY T. RAINEY, of Illinois, has been selected as the "barker" for the occasion, and he has started the ball rolling by declaring, in the House of Representatives, that the watch factories are all organized into a trust; that they are robbing the people of the United States by forcing them to pay exorbitant prices for one of the necessities of life; that they are choking out competition, in proof of which he makes the statement that there are not as many watch factories now as there were five years ago.

We claim to be moderately well posted concerning the watch factories of the United States, and we say without hesitation that there are as many watch factories to-day as there were; there have been no failures in watch factory circles for the last ten years. The United States Watch Company at Waltham sold its plant to the E. Howard Watch Company, the latter moving from Boston to Waltham to get a better labor market, as Waltham is a watch town. The Columbus factory was sold to the Studebaker interests, moved to South Bend, thoroughly modernized, enlarged, and rebuilt, and is now the South Bend Watch Factory. There is one set of machinery which has been moving about the country since 1883, alternately idle and again operative (always at a loss), which was last in operation at Appleton, Wis. These are the only movements of any importance in the last ten years. The only one which has failed recently is the one which was never a success in the twenty-three years of its life and spasmodic operation. Of all the others, there is but one (the Elgin) which is to-day paying dividends on the original stock. Every other factory has been in financial difficulties at least once in its history, and most of them several times. We say without hesitation that Mr. RAINEY needs to read up on the history of watch making in America.

Concerning the reimportation of watches, the same thing could be done with anything which is protected by the tariff, provided the freight charges did not eat up the margin between the export and the domestic wholesale prices plus the tariff. This brings up the question of "dumping." The manufacturer of any country is obliged to face two exactly opposite and contradictory requirements; he must provide a profit for the retailers who distribute his goods or they will not handle them. Consequently he must protect the price to where said retailers may pay the expenses of storekeeping and get a living in addition. If in doing this he refuses to supply those who, through ignorance or greed, willfully sell below the market, the cry of "trust" is at once raised by those who object to this supervision. At the same time he does this he must run the mill or factory at its utmost capacity, if possible, as the fixed expense is little if any more for half time than for full time and the distribution and sale costs no more in the one case than the other, as the selling organization must be maintained in either case. In addition to this, operatives demand steady work as a condition of remaining at any particular mill. Now, with a steady production and a fluctuating consumption, surplus stocks are bound to accumulate at various times, which must be disposed of, or the mill shut down. This is called "dumping."

Years ago the Holyoke and Springfield paper companies in order to run their mills full time, used to sell paper in Chicago at anything they could get for it, while maintaining their home market as a profitable one and at the same time running the mill full time with full force. Now, the difference between running a mill full time and full force and running it half time, or with full time and half a force, is a difference between a profit and a loss. This was a very nice operation for the Holyoke people, but it raised immediate and serious trouble with the mills in Ohio, Illinois, and Wisconsin.

The American Papermakers' Association was formed to prevent this thing, and they used to promise to be good at the annual meetings, and then do the same trick over again, until the western men seceded from the American association, formed one of their own, and the next time a serious cut on No. 2 book was made in Chicago, each mill (and there were twenty-four of them) contributed a carload to be sold at a loss in New York. Now, as the average price of book was 1¾ cents per pound in New York above the Chicago market, it can readily be seen that when the market in New York broke about 2½ cents, the Philadelphia market likewise, ditto Boston, there was something doing among eastern mills. The western men simply said, however, "If you break our market, we will break yours, and we have the ability and the money with which to do it."

Solid train loads of sized and supercalendered book, No. 1 print, and machine-finished book were thus sent into the East, with the express purpose of being sold below the market in order to sicken the New England mills of using Chicago as a dumping ground. Of course this had ultimately the desired effect, and, as a dumping ground was a necessity, the dumping was continued in Canada and in Europe, to the consternation of the British paper makers, who straightway proceeded to froth at the mouth in all the trade press.

To make a long story short, this is going on all the time in all countries and in all industries where factories must be run as cheaply as possible. There is no particular reason why it should not occur with factories in the lines in which we are interested. The object of the protective tariff is to prevent international dumping, for that is what the export trade practically amounts to. There is no doubt whatever that if the tariff is good for one country it is equally good for the others, and that under similar protection the exchange of commodities would be narrowed to those which could be produced cheaper in one country than in another. Since Canada has put on a protective tariff American manufacturers are erecting factories over there; the harvester companies have been compelled to similar action

in Sweden; so it goes. "Tariff walls" build up the manufacturing interests of any country. They do it largely by the prevention of dumping.

England is a free-trade country. All the world dumps in England. Whenever the tariff is lowered the world dumps in the United States and the American factories shut down, or run on half time, or with half forces, while the unemployed half starves or sweeps the streets for a daily bowl of soup, as was done in the cities of the United States during the Cleveland Administration and is being done in England to-day.

You can buy a Boley or Wolf-Jahn lathe cheaper in the United States to-day than in Germany at retail. Within the last year the writer has been shown Swiss watch movements at 97 cents and a very good-looking nickel movement at $1.40. These are Swiss prices for export, not for home consumption. This is dumping. The "arbitrary revaluations at the New York custom-house," of which the German papers are constantly complaining and which so nearly led to a tariff war with Germany, are simply an attempt to collect duty upon the basis of the German home market prices instead of the dumping prices at which the goods have been invoiced.

These are the conditions which the American watch manufacturer must meet if he attempts to sell a portion of his product abroad, and it is quantity prices from the factory which the Democrats are about to use in comparison with the retail prices to the consumer in the coming agitation for free trade. In the instance mentioned in the beginning they strove to compare the price of $4.60 each, spot cash at the factory in lots of 1,000 plows, with $9.25 paid for one plow by the farmer, on time, in North Dakota. How will the retail jewelers of the country relish this sort of interference and false deduction concerning their business during the coming campaign? They can prevent it as the agricultural implement dealers did, by writing to their Congressmen and telling them to let watch prices alone during the coming campaign. Every jeweler should do this at once. The jewelers have troubles enough already.

Yes, Mr. Speaker, I believe in fact rather than theory. It may be that in the mind of a political economist all this prosperity is fictitious. It may be that to an idealist the doctrine of free trade is a God-given device of immaculate origin. But we have tried both, and we have tried them more than once. We have never been prosperous under free trade, and we have always prospered with protection. A country never has been and never can be prosperous except when labor is adequately rewarded, and in this country labor has never been adequately rewarded save when we have had a protective tariff. Yes, we have tried both, and who is there besides the gentleman from Illinois [Mr. RAINEY] that would blot out the shining sun and silver stars of this bright day? I believe in erecting, not tearing down. This condition, this prosperity, was not built upon a theory. No; it was built upon the deeds of men that stand out in the fact that lives. Prosperity is a fact. For over three thousand years the world has forgotten all that the Egyptians ever said or wrote upon the subject of architecture; but over yonder on the desert sands of Africa stand the immortal pyramids, giant facts, giving eternal testimony of what the Egyptians could do in the way of architecture. There they stand, one of the eight wonders of the world, yet as insignificant as an ordinary tombstone when compared with the marvelous pyramid of American prosperity that presses out the sky in the supremacy of 84,000,000 people.

Consular and Diplomatic Appropriation Bill.

SPEECH

OF

HON. WILLIAM S. McNARY,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, May 26, 1906.

The House being in Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 19264) making appropriations for the diplomatic and consular service—

Mr. McNARY said:

Mr. CHAIRMAN: To acknowledge the right of labor to organize and to concede the obvious and manifold blessings and benefits that follow such organization is not enough; the claims of organized labor must be met with candor and honesty, and assented to when just. The occasions have been many when this House has had an opportunity to meet the just claims of organized labor, and to yield to them; but labor has discovered that the Republican majority of this House is not disposed to do the fair thing, not to say the generous thing, in its behalf.

Labor's bill of grievances, addressed to the President, the Senate, and this House, has set forth the matters wherein the Republican majorities have failed to deal squarely and honestly with the equitable demands of the workingman. For ten years and more organized labor has sought to remedy the defective eight-hour law and to secure a law that would extend to all work done for or on behalf of the Government.

Not only have these efforts been in vain, but without a hearing of any kind to its advocates a Republican Congress passed and a Republican President signed an appropriation bill containing a rider nullifying the eight-hour law and principle in its application to the greatest public work ever undertaken by our Government—the construction of the Panama Canal. Repeated violations of the present eight-hour law have been charged, and when organized labor has been challenged to make good these charges it has responded with page after page of proof of such violations in governmental Departments, which have gone unrebuked and unremedied by Department heads.

Again and again has organized labor called for the safeguarding of the honest workingman from the blight of competition with convict labor, for relief from the evil of induced and undesirable immigration, for an honest enforcement of the Chinese-exclusion law, and for the rights of seamen. It has opposed the perversion of the antitrust and interstate-commerce laws. It has sought to conserve the writ of injunction in its original essence and to prevent its becoming an instrument of the destruction of the laborer's freedom.

It has asked that the constitutional right of petition be permitted to the employees of the Government. It has urged that the Speaker of the House, in selecting the Committee on Labor, appoint men who from experience, sympathy, and knowledge were qualified to render in Congress the kind of service such a committee was originally designed to perform. To all these requests the dominant party in this House and in this Administration has been deaf. There is no mistaking the meaning of this attitude. The Republican party as represented in this House is not in sympathy with organized labor and will yield to it only those concessions that are wrung from its fears.

The same smug indifference is displayed, no matter how nearly or how remotely concerned with the welfare of the toiler a measure or project may be.

I have gone before the Committee on Labor to urge that something be done in the cause of the little toilers, the children whose souls and bodies are stunted and killed by the grinding and stifling experience of their tender years. I have sought to secure uniformity of laws in a matter that is of the most vital importance to our nation. I believe that the integrity, the progress, and the prosperity of a country supposedly founded on manhood suffrage can not be secure if private greed is allowed to strike at the very foundations of the State, at the souls and bodies of its women and children.

I do not believe that any material gain can compensate us for the loss in the standard of manhood and womanhood. A nation's wealth is not in its railways, its mills, its shops, and its banks, but in the brawn and nerve and brain of its workers; and when you do aught to injure the workers of a nation you thereby strike at the very heart of the nation. No increase in wealth, no matter how flattering it may appear to us in a table of statistics, can repay us for violence to the youth of the country, for on them depends the future.

But how do these ideas impress a Republican Congress or a committee of a Republican Congress? They may secure the assent of the humanity of the gentlemen who are in control here, but they do not find any expression in laws.

A strong example of the indifference of the Republicans is found in the case of the letter carriers. There is not in the whole land a better, a more diligent, conscientious, or self-respecting body of men than the letter carriers. There is no body of men more deserving of private thanks and public bounty for their services than these men. Yet they fail to secure what in the strictest and narrowest justice is due them. For the past forty years the salaries of the letter carriers have remained practically the same, and this in the face of a phenomenal growth of the postal service. The rules of the Department prevent the carrier from engaging in any other occupation that might mean gain to him, and, in point of fact, such rules are superfluous, as the very nature of the carrier's work precludes his engaging in any other work while in the Government service. To make a successful carrier a man must be something above the average in physique and in mentality, and his integrity must be of the highest. We expect him to be punctual and patient and to be ready to labor in all kinds of weather, and for this exceptional service we are unwilling to pay him, after years of the most arduous toil, $1,200 per year. Surely the Government is not setting a premium on self-respecting manhood here.

What is true of the carriers is also true of the clerks. The Government has ignored the facts of the growth of the postal service and the requirements of present-day business methods and the demands that these make on the carriers and the clerks, and has sought to make the Post-Office a paying Department at the expense of these carriers and clerks.

Rather extravagant claims are made for the extension of the Post-Office Department. One would think that the work of in-

creasing its efficiency and its usefulness had exhausted all the ingenuity that man could bring to the task of organizing and developing the Department along those lines. The truth is that we are far behind other countries in some features of our postal service. We have made some vast strides where powerful private interests have been indifferent to growth and expansion. The case has been otherwise when these private interests have felt that they were in danger of competition. In the matter of the parcels post we are and have been for years standing absolutely still compared with other countries. The express monopoly has been responsible for this, and can be relied upon to resist any measure that will mean a more reasonable and more comprehensive parcels-post service.

It makes no difference how much good such a measure may promise for the people at large or for the Post-Office Department itself, the frown of the express monopoly is sufficient to decree a speedy death for it. State legislatures may call for a change, and men from all the walks of life, from the farmer to the college professor, may urge it, but the express monopoly can persuade a Republican Congress to refuse it.

So, also, with the proposition for postal savings banks. This project, designed to benefit the many and to mark a step forward in enlightened and beneficent progress by our Government, is given its quietus by a Republican majority in Congress. It is the same story with the proposal to insure merchandise parcels sent in the registered mail. All these suggestions have met with the disapproval of the express monopoly and have died an early death.

So it has gone all along the line. A Republican House has turned a deaf ear to the requests of the toiler, whether he be in the public service or private; whether he be the child or the man. Monopoly and greed have been assiduously and consistently served and the people ignored.

Pure-Food Bill.

SPEECH

OF

HON. GEORGE W. CROMER,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, June 22, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration the bill (S. 88) for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes—

Mr. CROMER said:

Mr. CHAIRMAN: The first session of the Fifty-ninth Congress has been one of much good to the country at large. The public pulse has been felt, and the people's needs have been weighed and considered. We have been in session for seven long months endeavoring to do our duty to the people by regulating and curbing the soulless corporations that have been mulcting the public through their cupidity and robbery until forbearance has ceased to be a virtue. Corporations and the moneyed interests of the country deserve to be protected as well as other interests, but when combinations, trusts, and allied wealth are organized for no other purpose than to bleed the people and force them to pay extortionate prices for impure and deleterious goods in order that the coffers of these highway leeches may be filled, then it becomes our duty as lawmakers to enact laws that will protect the people against such encroachments and that carefully will guard their interests.

Mr. Chairman, let me briefly give a review of what has been done during the seven months' session that is drawing to a close, and I believe that every fair-minded man in the country will acquiesce in saying that the Congress not only has done its duty but the laws enacted have been of such a character as to merit the commendation and plaudits of the people. Briefly stated, Congress has determined the type of canal that should be dug across the Isthmus of Panama; admitted Oklahoma and Indian Territory as one State; removed the tax on denatured alcohol; enacted many pension bills; extended Federal authority upon the specific questions of railroad rates and inspection of meats; enlarged the power of national quarantine service; amended the naturalization laws; defined hazing and provided for the punishment of midshipmen guilty of the offense; provided for the election of a Delegate from Alaska, and enacted numberless minor bills, yet of great importance, such as requiring the purchase of supplies and materials for the Panama Canal in the American market, unless the President shall determine that the bids of domestic producers are unreasonable, and the reorganization of the consular service, and many others.

Mr. Chairman, I believe that next to the rate bill there is no other so important as the pure-food bill, a measure that practically concerns every man, woman, and child in the United States.

The greed for money by many manufacturers of food and drink articles has caused them to lose all regard for the healthfulness of their customers. It has so become that the brand of purity labeled on thousands of articles which go to make up the everyday meal of the home is symbolical of fraud and deception. The label is a misnomer, a prevaricator of the actual and true worth and genuineness of the products that go into the stomachs of not only the adults of the land, but the foods that furnish nourishment for the millions of innocent and loving babies who prattle on their mothers' knees.

Mr. Chairman, when we take into consideration the passage of this bill, which appeals to the healthfulness of eighty millions of people, we must confess that we have not only done our duty, but we have given to the American people a law that in the future will safeguard them against deleterious food stuffs that have been adulterated with poisonous preservatives and other counterfeit substances.

This bill, Mr. Chairman, not only applies to the labeling of all articles of food and drink, that the consuming public may know what they are eating and drinking, but it covers the sales of drugs and patent medicines and explicitly provides a penalty against their imitation unless the contents are stated on the label of each and every package. It has been said by several eminent analytical chemists that prepared food products that have been canned or preserved are not affected by the length of time they have been in the receptacles, and while I believe the consuming public would much more desire to have the date of canning placed upon the labels, yet the significance of the date on the can is not nearly so important or valuable as some persons seem to imagine. What we must do in order to protect the healthfulness of the people is to pass a law that compels publicity of the actual contents, and the ingredients used in their preservation, of every can of goods or bottle of liquids, whether proprietary medicines or drinks used as beverages.

In my own State, Indiana, a chemical analysis was made of nearly one hundred food products that find their way to the tables of practically every housekeeper in the State, and of this number analyzed there were very few of them but that contained preservatives—some harmless, while others were regarded as being of a poisonous nature.

Mr. Chairman, it is an old saying that the American people like to be humbugged, which may be true to a certain extent, but the moment they discover that their appetites are being satisfied with a spurious brand of foods and beverages they rebel and ask us to protect them against such fraudulent methods which it is our bounden duty to do.

When we consider this bill in all its seriousness, when we stop and think of the millions of purchases being made weekly of food stuffs, nearly all of which are branded pure and the genuine article, when, in fact, the very words upon the labels signify but deception and fraud, then the day of humbug must end and those manufacturers of spurious goods must be called to account.

Let me take as an illustration the serious effects that no doubt have resulted from the sale of impure milk or cream that was branded as pure and untainted. Here is a kind, loving, sweet-tempered, and affectionate mother who, from sickness, is not able to produce nourishment for the beautiful, innocent, and sweet little babe that was born but a few days ago. To keep the babe alive the doctor recommends a certain brand of prepared and canned milk or cream, which was given with as much regularity as if the child were imbibing the nourishment from its mother's breast. What are the consequences? Hollow cheeks soon appear, and its form becomes emaciated, and instead of developing into a healthy and robust child it dwindles down and down, in the face of medical skill, until at last its little soul takes its flight to the far beyond, passes out of existence, and is carefully and gently laid to rest to sleep the sleep that knows no awakening. Now, what is the cause of this child's death? The analysis of some of these prepared brands of milk and cream that are widely advertised as being pure, naturally causing the people to believe in their purity, show the presence of chalk, formaldehyde, and other ingredients, while apparently harmless to an adult, yet certainly not very nourishing to an infant. Not only does this illustration apply to the milk and cream preparations, but it is to be found more potent in the manufacture of patent medicines, many of which contain poisonous substances, such as cocaine, arsenic, lauda-

num, and strychnine, which act as narcotics to alleviate pain only for a short time. Under these circumstances is there any wonder, Mr. Chairman, that the country is aroused and the people, whose lives are at stake, appeal to us for protection?

Again, in the matter of canned goods, such as potted ham, chicken, tongue, and many kinds of soups, branded and sold as the genuine article, no doubt many of these are fictitious and fraudulent and are prepared and mixed with other materials and products that in reality make them unfit for food, yet, at the same time, they are devoured with an avidity by the unsuspecting public. Let anyone go to his grocer and call for a can of potted tongue or chicken or a can of chicken or turtle soup and have it prepared according to the printed directions, and then served. You will find it necessary to look at the label to tell what you are eating, whether tongue or chicken. This reminds me of a remark I heard recently about the purity of a bottle of strained honey which was guaranteed absolutely pure because a real bee was found in the honey.

Now, Mr. Chairman, while I believe that there are many dishonest manufacturers who palm off on the public as the pure article olive oil mixed with cottonseed oil, strawberry jam without the strawberries, maple sirup made from hickory bark and coarse, cheap sugar; potted chicken with the chicken left out, Mocha and Java coffee with neither used in the blending, and hundreds of other articles of food counterfeited and spurious, and many dishonest blends of whisky and many dishonest compounds of medicine in which poisonous ingredients are used in the blending and compounding; yet I am not ready to charge that all are dishonest, for I believe that a vast number conduct their business in an honorable and honest way and give to their customers and patrons the class of goods that they claim they do. This honest class of manufacturers are offering no objections to this bill, but those who have become rich by putting a counterfeit article upon the market, regardless of whether or not it was injurious to health, are very strenuous in their opposition to this measure.

In my district are several canning establishments engaged in canning vegetables, including tomatoes, corn, pumpkins, and peas, and I venture to say that not one of the proprietors of these establishments has uttered a word of objection to this legislation. I happen personally to know the owners of these establishments, all of whom take high rank as men of honor and honesty. There is a great demand for the goods canned in these establishments, because the labels are a guaranty that their contents are as represented—pure, clean, and untainted.

So far I have treated this question from a local standpoint, and as though our people alone are interested in pure-food legislation, but our action in passing this bill will be more far-reaching. The people of the whole world are interested, as they ought to be, and for this reason I desire to consider in this connection pure-food legislation as it relates to foreign countries.

It is claimed, Mr. Chairman, and it will be claimed, that this section and that section, for this reason and for that reason and a hundred other reasons, are interested in the pure-food bill. Of course they are interested. There isn't a spot on earth that isn't interested. If you enter a canning establishment, if you go into the flour mills of Minneapolis, you will be told that their products go to all parts of the world; that the foreigner in far-off parts of the world, in Polynesia, in Australasia, in Africa, Asia, South and Central America, in the Arctic regions, rejoices in the possibility of procuring Pillsbury's best flours, the canned salmon of the Columbia River, or the blue-points oysters of Baltimore. Of course they are interested. The whole world is interested in pure food. We must not, we can not, forget this. Eloquent advocates of opposition to interference tell us it is not possible to regulate the weight of some 2,500,000,000 cans in the short—only six weeks—canning season; but they fail to tell us why it is the one-half-pound cans never contain a portion over half a pound, or the pound cans a portion beyond the 16-ounce limit, but always in each case a little below the legal half-pound or 1-pound standard.

A better exhibition of the industrial and economic value of pure-food legislation was never afforded by any people than by the Scandinavians. In Norway, Sweden, and Denmark, particularly in Denmark, pure-food legislation has led to phenominal prosperity. There the butter is prepared by the best scientific processes, is stamped and sent abroad to be sold at highly remunerative prices. Why? Because a firm belief in its quality has been built up on the basis of its governmental seal, on the fact that it has undergone careful inspection. The same may be said of the Danish eggs. These are gathered the day they are laid, are stamped as to the date of gathering, and are sold on their merits.

The whole world wants to know, it likes to know, what it buys; better than that, it likes to know what it eats. There is no getting away from the value of pure-food legislation any more than there is getting away from the value of pure food itself. Legislation like the kind contemplated by this bill acts as a preventive. Because of bills like this passed by the people of Germany, deaths from diseases caused by foul foods have been diminished. In one German slaughterhouse in Germany in 1902, 150 cans of trichina were found in American porks imported; in 1903, 60 cans.

In all the German pork brought to that slaughterhouse not a single case of trichina was found. Let such a significant lesson have its weight. It should not be lost. I am advocating no law that is to injure honesty. I believe in no law to prevent men from making oleomargarine, if it is called, labeled, and sold as oleomargarine; but I do favor a law that will prevent the sale of oleomargarine if it is injurious to health. I advocate a law that will prevent the sale of adulterated foods.

If men want to buy coffee mixed with chicory, I do not object. What I do object to is a mixture of chicory and coffee sold as Java coffee.

In highly civilized countries—in the German Empire, for example—the people are protected against the tricks of traders. For instance, a firm may not sell a hat for felt if it is not felt, or if so sold a penalty has to be paid upon discovery of the fraud, provided the injured party prosecutes. In civilized lands there is a tendency toward just such legislation as is contemplated by this bill. For example, Prussia, one of the most enlightened States of the German Empire, a Kingdom whose capital is Berlin, passed the following laws in regard to the inspection of meats:

MEAT-INSPECTION LAWS OF PRUSSIA.

In order to do away with difficulties and misunderstandings which became apparent when the law for the import and inspection of foreign meat began to take effect, the Prussian ministers for agriculture, finances, and trade and industry, with the sanction of the chancellor, have issued the following instructions:

"1. Fresh animal blood must be counted as meat, and can therefore be imported only in 'whole bodies of animals.' Salted blood is excluded because the necessary certainty of harmlessness to human health can not be arrived at in blood which is not contained in bulk. Heavy salting of blood of sick animals gives no guaranty against danger to human health. Also all other parts of warm-blooded animals, as long as they are intended for food for human beings, are allowed to be imported in fresh condition only when these parts are in natural coherence to the whole animal body or its halves. This includes particularly such inner organs the importation of which does not naturally follow the import of other parts; for instance, fresh lard or fresh intentines which are not contained in the animal body are forbidden to be imported, even if they reach the place of inspection together with the bodies of which they were presumed to have been a part before.

"2. The admission of well-boiled liver, which up to date was permitted to enter, is declared to be contrary to the law of inspection of meats. Prepared meat is admissible only if in its origin and preparation there is, according to experience, no danger to human health or if its harmlessness to health can be proved positively at its importation. Neither the one nor the other of these conditions exist with cooked livers, for if the cooking of livers is not sufficient to kill all animal or botanical germs, unsound adhesions to the liver can not be removed at all by cooking; therefore unsound livers, even after the most thorough cooking, still retain the condition of rotten and disgusting nutriments. Besides all this, the cooking of the liver, more than any other system of preparing the same, is calculated to cover up the unhealthy condition of this organ. Fresh tuberculous formation, young cysts, etc., are liable to be so changed by the process of cooking that they are not very easily detected on examination.

"3. Since the inner organs of animals, particularly of pigs, singly, seldom reach the weight of 4 kilograms (8.8 pounds), there has been developed in several places of inspection the import of such organs adhering to different parts of the animal body in a pickled condition. As long as these coherent parts really weigh at least 4 kilograms, and as long as it can be proved that a rigid examination shows that these inner parts have absolutely lost the condition of fresh meat, there is no objection to the importation of such parts, provided that the final inspection permits a favorable report.

"4. The ordering of lard prepared in foreign countries very often is done after the receipt of samples; therefore it happens often that samples of this lard are imported in small lots and of unimportant weights. It is ordered that the chemical inspection of parcels up to 1 kilogram (2.2 pounds) can ordinarily be dispensed with, and it is considered necessary only when on first examination the condition of the sample causes suspicion.

"5. Meat peptones as such are allowed to be imported; but since meat powder and meat flour are named among such products of meats, as sausages, etc., which, on account of consisting of hashed meat, are excluded from import, there exist doubts as to meat peptones having the privilege of being imported. Until further orders peptones necessary for medical purposes, even if they quite resemble meat powder, are not to be considered as meat in the sense of the law for inspection of meats and can be imported without examination.

"6. It has been found that some imported meats contain borax, of which, according to appearances, it would seem no use has been made with the intention of preserving the meat. For instance, the meat could have become affected by the borax contained in packing material which had been used previously to carry goods containing boral; but since the importation of all meat containing borax is strictly forbidden, meat thus affected must be excluded."

W. BARDEL, *Consul.*

BAMBERG, *July 17, 1903.*

That such legislation is not allowed to lie dormant or ineffective is shown by the following facts as to prosecutions and pun-

ishments in the Empire, furnished by Consul-General Guenther, once a Member of this House:

FOOD ADULTERATION IN GERMANY.

Consul-General Guenther, of Frankfort, reports that during the year 1903, 3,091 persons were convicted in Germany for adulteration of articles of food. In 1902 the convictions were larger, a decrease of 6 per cent being noted for 1903. The largest number of convictions occurred at Berlin, where an increase from 598 in 1902 to 645 in 1903 is shown. For producing and keeping for sale and consumption unwholesome articles of food 748 persons were convicted in 1903, against 394 in 1902. This large increase is due to the effects of the inspection law of June 3, 1900. In Berlin 59 persons were convicted for violating the provisions of this law, against 29 in 1902. For knowingly violating the rules with reference to animal epidemics, especially those for the prohibition of imports to prevent rinderpest, as well as the regulations to prevent contagion in the transportation of animals by railroad, and for the willful use of articles liable to spread contagious diseases before disinfection, 931 persons were convicted, against 1,173 in 1902, showing a decrease of 20 per cent. For knowingly violating the regulations for preventing the spread of infectious diseases 59 persons were convicted, against 67 in 1902.

No sane man ever said or thought legislation would entirely prevent food frauds. What it does do is to reduce the danger. Punishment by imprisonment or fine will deter. To argue otherwise would be to argue the uselessness of all laws to prevent or to punish wrongdoing of any kind. Laws are human institutions, hence fallible. Perfection was never predicted of any bill. What is aimed at is better and better conditions. Experience will bring forth a better bill.

If I am told, as I shall be told, that the people don't care, I do not admit it, but for the sake of the argument will admit it. They must be made to care. They must be aroused. People don't care about education. We have to pass laws to compel parents to put their little ones into school. For its own protection the State is bound to build up a better and better school system. If the people act indifferently about food it is because they are unable to realize their danger. Till they do, the State can be at no better work than in protecting them. When I am told, as I shall be told, that others do it, I admit it. Indeed, I give you herewith the evidence:

ADULTERATION OF FOODS IN GERMANY.

[From United States Consul-General Guenther, Frankfort, Germany.]

Dr. E. Matthes, director of the bureau office for examining foods of the University of Jena, has published a statement relating to the articles most frequently adulterated. According to this statement 520 samples were examined in 1903 and 1,569 in 1904. This number did not include 116 samples of milk which were found to contain a very high percentage of dirt.

It was found that apricots contained sulphurous acid; effervescent lemonades did not contain a trace of pure fruit juices; butter contained too little fat and too much water; so-called baking butter consisted of oleomargarine; egg noodles contained no yolk of eggs, or at least only very small quantities; huckleberry juice was spoiled completely; raspberry juice was greatly diluted, and some samples contained glucose and coal-tar dyestuffs; mince-meat contained sulphurous acid; ground mace contained flour, ground toasted bread, Bombay mace, and nutmeg; marmalades were mixed with glucose and colored with coal-tar dyes; milk was watered, skimmed, and often very dirty; pepper contained lime, sand, and a good deal of the shell; sausages contained flour, boracic acid, and coloring matter; preserving salts contained sulphurous, boracic, fluoric, and benzoic acids, etc.

The report complains of the indifference shown by the masses regarding purity and reliability of articles of food and the custom which prevails in large cities of having the examinations of such articles made by persons not experts.

RICHARD GUENTHER, *Consul-General.*

FRANKFORT, GERMANY, *May 10, 1905.*

The masses of men move slowly. It is not conservatism nor is it indifference; it is ignorance. How are they to know? Above double dealing and dishonesty themselves, the masses of men find it hard to believe that the men they have learned to look up to and respect would resort to the wretched forms of adulteration every day recorded. The following synopsis of a bill regulating importations of meats into the German Empire is full of significant and suggestive matter:

GERMAN MEAT IMPORTS UNDER THE NEW INSPECTION SYSTEM.

The code of regulations for carrying into effect from the 1st of October next the now famous meat-inspection law of June 3, 1900, has been issued in the form of a special supplement to the regular periodical publications of the imperial health office. As such, it makes a pamphlet of twenty-four closely printed quarto pages, in which the whole system is set forth with the elaborate thoroughness and minuteness of detail characteristic of German legislation and administration. In transmitting for the information of the Department of Agriculture the full text of this measure (sent to the Department of Agriculture), which will influence so directly the importation of meats and meat-producing animals into Germany, the following synopsis of its provisions is submitted as of presumable public interest:

The first section of the present publication comprises the full text of the statute itself, which after several years of agitation and discussion was finally enacted and received the imperial signature on June 3, 1900. Then follows the decree of June 30, 1900, putting into effect from the 1st of October that year the twelfth section of the law, which forbids the importation of canned meats, sausages, and other forms of finely cut meats. This part of the statute, being a direct and simple prohibition, could be enforced at once, whereas the remainder of the law—which provides for a most elaborate and far-reaching system of inspection of animals and meats and official supervision of cattle, sheep, and hog markets, slaughterhouses, and the whole process of preparing and preserving meats—had to remain in abeyance until the necessary buildings could be erected, trained inspectors provided, and the other requisite machinery completed and put into working order. This has now been done, and the regulations just published announce the practical working methods of the new system. It is divided into chapters, as follows:

Chapter A includes forty-eight sections, many of which have several subsidiary paragraphs, and the whole occupies eleven pages of the published code. It prescribes, with microscopic minuteness, the system of inspection and treatment by the sanitary police of animals, slaughterhouses, and meats throughout the Empire. It covers, in effect, the whole domestic production of meats in Germany and is throughout as precise and exacting as scientific sanitary erudition can make it. It is this portion of the new system which has evoked thus far the principal opposition in this country. The advocates of the statute assert that it is merely the application of modern sanitary science to the preparation of an important class of food products; that it embodies and provides for the protection which the National Government owes to the lives and health of the people. Opponents of the new system—among whom may be reckoned most butchers, provision dealers, market men, and, in general, the nonagricultural classes whose interests make them advocates of cheap and plentiful food—denounce these regulations as the outgrowth of scientific fanaticism, a phase of technical pedantry which has no proper place in the economics of everyday life. That it will increase the cost and difficulties of utilizing the already inadequate supply of home-grown meats is obvious; whether the additional security as to quality will offset these disadvantages experience can only determine.

Chapter B lays down regulations for the examination and qualification of inspectors, who must be competent veterinary surgeons; Chapter C covers the code of instructions for subinspectors who are not educated as veterinaries; Chapter D prescribes the regulations for inspection and sanitary treatment of foreign meats presented for import, and Chapter E comprises the whole topic of trichinæ and the treatment of pork meats, native or of foreign origin.

Although the principal features of the law have long been made familiar through consular and press reports, a brief résumé of some of its more important provisions, especially those which will affect importations of meats and animals, may be of present interest. Under paragraph 12 fresh meats can only be imported in whole carcasses. Carcases of cattle and hogs, but not of calves, may be split in half, but the halves are to be left together and accompanied in all cases by the head, lungs, heart, and kidneys. Cow beef must have the udder attached, and carcasses of pork must include the tongue. Excepting hams, bacon, and intestines, no piece of pickled, smoked, or otherwise preserved meat weighing less than 4 kilograms (8.8 pounds avoirdupois) may be imported into Germany.

When to all this is added the prohibition, under paragraph 21 of the law, of meats preserved with borax or boracic acid, or with any of several other antiseptic salts which have hitherto been more or less extensively used as meat preservatives, it will be evident that the net effect of the new system will be to more or less diminish the supply and increase the cost of meats for consumption in this country. Already some premonitory symptoms of such influence are noticed. The Berliner Tageblatt of to-day makes the following comment:

"The meat-inspection law throws its shadow before—a meat famine is in sight. Old stocks of preserved meats have become exhausted, and since the countries which formerly supplied Germany with meats have for the most part found other markets, and our import of cattle and fresh meats is steadily diminishing, Hamburg and Berlin have this week enjoyed a foretaste of what will happen when the meat-inspection law shall have entered into full force. It occurred at Hamburg on Saturday, June 14, that many butchers had no beef to sell, because Denmark had sent very few cattle, and because the rest of Germany and Austria had furnished only a meager supply for part of the week. Berlin had to pay on Saturday at the cattle market, for the few available animals that were to be had, actual famine prices."

The Hamburger Correspondent of June 10, in announcing the issue of the regulations which form the subject of this report, said:

"It can not be doubted that vexatious delays and expenses, which the prescribed inspections will necessarily entail, will lead to an important diminution of meat imports as soon as the new regulations shall be enforced. In order to estimate correctly the effects of the law and the administrative regulations adopted by the Bundesrath, it is only necessary to inquire how our imports will be influenced thereby. The importations of mild-cured meats, including bacon, hams, canned meats, and sausages, during the past four years have been valued as follows:

Year.	Value.	
	Marks.	
1898	46,100,000	$10,971,800
1899	36,800,000	8,758,400
1900	25,400,000	6,045,200
1901	18,800,000	4,474,400

"This decline in the import of preserved meats has been caused partially by the prohibition of imports of canned meats and sausages. While our imports of fresh meats have come mainly from Austria-Hungary, Holland, Denmark, and Russia, at least 70 to 80 per cent of our foreign supply of preserved meats came from the United States. These will in future be most directly affected by the continued prohibition against sausages, canned meats, meats preserved with borax, and pickled meats in pieces of less than 4 kilograms (8.8 pounds) weight."

When it is remembered that cattle and most meats are exceptionally scarce and costly in the United States, and that other countries are ready to absorb most of whatever surplus our packers may have for export, it may be expected that the hitherto flourishing and important meat-export trade of our country with Germany will show during the coming fiscal year a serious and general decline.

FRANK H. MASON, *Consul-General.*

BERLIN, *June 18, 1902.*

It will never do for Members to deny legislation of this kind on the basis of its not being demanded by the people. It is demanded. The people want it if ever a people wanted anything. The people need it. Never was need of anything greater. I have no desire to force the House into the passage of a bill the purpose of which is so wide-reaching as the present bill

without information. I am willing to wait, but I do not want to see the bill defeated on anything but its merits. On these there is no danger of defeat. If I understand the purpose and the function of government, it is to protect society from itself. If this is not its purpose, what is?

The ideal conditions contemplated by the idealist and optimist appeal to my sense of the beautiful and the good, but experience—that painful, but perfect and severe, teacher—tells one neither to hope for nor to expect ideal conditions, anyhow this side of the millenium. The conditions under which foods are prepared are the causes for this bill. The Member who brought it in, the Members who support it, are moved by the highest motives and the noblest purposes. Given a guaranty that men would not mix glucose with water, embalming a bee in the mixture to deceive, and we will go on and on, gladly on, sans such legislation.

But men are men—poor, weak, full of cupidity and false ways. Till they are better we need bills like the pure-food bill, and because we need it, because men are what they are, because the most enlightened nations on the earth are moving forward in legislative lines like those set forth in the bill, because I believe it to be best for my constituents, for my country, for all parties concerned, sellers as well as buyers, I support this bill with my voice, as I shall support it with my vote, feeling that in doing so I am not only carrying out the convictions of my own mind, but that I am voicing the sentiments of more than eighty millions of my countrymen.

Expenses of the District of Columbia.

SPEECH

OF

HON. EDWARD DE V. MORRELL,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, May 28, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration various bills in relation to the District of Columbia—

Mr. MORRELL said:

Mr. CHAIRMAN: Shortly after I presented my last speech on the subject of expenditures in the District of Columbia, on April 9, I was considerably surprised at an editorial to which my attention was called, which appeared in one of the leading newspapers in Washington, picking up an omission which I had made in a general heading concerning the expenses of the libraries in Washington, and my not having included in that heading "Art galleries, museums," etc., such as was included in the heading in the table of the Census Bulletin No. 20, which I had made part of my remarks, and which could have been easily referred to for an explanation.

The evident intention of this editorial was to create an impression that I had made a false or misleading statement as to library expenses, and that as a consequence all the other figures were either false or misleading.

Strange as it may seem, not a single line of criticism was directed against a single figure presented, except the single item of library expenses. The issue was with the statement that library expenses were greater in Washington than in eight named cities. In my speech I referred to Census Bulletin No. 20 as authority for the long tabular statement I spread out in my remarks, and anyone having this page of the bulletin open before him would see at once that the words "library expenses" were an abbreviation for the caption "Payments for expenses of libraries, art galleries, museums, etc." The other figures were not denied, a proof that page 476 of Census Bulletin No. 20 had been consulted by the writer of the article; but the words "library expenses" were seized upon as the basis of an editorial on the assumption that the value of all statistics must be measured by their weakest aspect.

Not being aware of the existence in Washington of any art galleries, museums, etc., under the general acceptation of the definition of those terms, that were maintained at the expense of the District, I did not give them much consideration until the attempt was made to prove that I had apparently knowingly made a misleading statement.

On a closer inspection of Census Bulletin No. 20 I found that the total of $135,433 under the heading of "Payments for expenses of libraries, art galleries, museums, etc.," for Washington, found on page 476, Table 44, were on page 241, Table 21, subdivided as follows:

Libraries:	
Salaries and wages	$19,266
All other	30,557
And under art galleries, museums, etc. (in this same table)	85,610

As I just said, not being aware of the existence of any art galleries, museums, etc., in Washington, maintained by the District, I wrote to the Director of the Census requesting to be advised what art galleries, museums, etc., there were that were included under this item of $85,610, and received the following reply:

DEPARTMENT OF COMMERCE AND LABOR,
BUREAU OF THE CENSUS,
Washington, D. C., June 11, 1906.

Hon. EDWARD DE V. MORRELL,
Chairman Committee on the Militia,
House of Representatives, Washington, D. C.

DEAR SIR: In reply to your communication of June 8, in which you ask for information regarding the item appearing in Census Bulletin No. 20, page 241, Table 21, Group 2, which shows that the city of Washington had expended for art galleries, museums, etc., under "all other expenses," $85,610, I beg to say that this amount represents the District expenditure for maintaining the Zoological Park. In that year it was impossible, from the books of the District, to readily distinguish between salaries and miscellaneous expenses, and in accordance with the text of Bulletin No. 20, relating to Table 21, the total payment was included under "all other."

Very respectfully, yours, S. N. D. NORTH, *Director.*

I might call attention to the statement in the letter from Director North that "it was impossible from the books of the District to readily distinguish between salaries and miscellaneous expenses."

Nevertheless, even admitting that I was in error as far as including the total amount of $135,000, as shown in Table 44, and not separating the items as shown in Table 21, and further clarified by the letter from the distinguished Director of the Census, I have taken some pains to inquire into the actual library expenses in the District, with the following result:

In the first place, the words "library expenses," as used by me, were general; the editor in his answer made them special. Library expenses, as used by me in my speech, would include the entire expenditure made by the Government for libraries in the District of Columbia; the editor limits it to the free public library of the city of Washington, and then further limits it to expenses for general maintenance.

Congress in the appropriation act of 1901–2 made an appropriation for the Free Public Library of Washington of $27,800 for the year ending June 30, 1903, and $36,280 for the year ending June 30, 1904. These appropriations were made for salaries and the purchase of books, but do not in any sense comprise all the expenditure made during those years for the Free Public Library of Washington. On September 30, 1904, Mr. Theodore W. Noyes, president of the library trustees, called attention to the fact that Mr. Carnegie had made an additional gift during the year 1903 of $25,000 to furnish and decorate the interior of the new building. Mr. Carnegie had already given $350,000 for the erection of the building. Congress had given its site and $10,000 in money for grading of the grounds, and the Commissioners of the District had regraded, curbed, and repaved the south sidewalk.

Moreover, no account is taken of moneys expended upon the Congressional Library, the departmental libraries, and all expenditure made for purposes other than what he designed to include under the words "general maintenance."

The Congressional Library is open to the public, as will be seen from the following figures taken from the Librarian's report for the year 1903:

Readers	163,182
Readers on Sundays	23,142
Books issued in reading room	336,125
Books issued on Sundays	43,163

This Library is open to all the people of the city of Washington and elsewhere on every day of the year, except legal holidays and Sundays, from 9 a. m. to 10 p. m., and on Sundays from 2 p. m. to 10 p. m. It has been open to the public on Sundays since September 14, 1902. It it a great library, and the figures taken from the Librarian's Report of 1903 show that it has a tremendous clientage. It is open alike to the rich and the poor, to the high and the low, and is a public library in every sense of the term, except that the books are not permitted to be taken from the building. The expense of this great Library is very great, and as its principal advantages go to the great public of the city of Washington, is it fair in discussing library expenses to exclude those appropriated for this institution and limit it to appropriations made for the Free Public Library of the city of Washington?

Appropriations made by Congress for the year 1903 for the Congressional Library were as follows:

General administration	$16,140
Reading rooms	47,640
Periodicals	9,620
Maps	6,580
Music	6,200
Total	86,180

In addition to these expenses, which are certainly chargeable to library expenses for the public, there were other appropriations made which from their nature should be divided between the public and the special interests involved. These additional appropriations for 1903 were:

Cataloguing and shelving	$87,040
Custody of building	72,605
Law	7,700
Documents	5,280
Manuscripts	5,760
Total	178,385

or a grand total of $264,565 for the use of the Congressional Library for the year 1903.

In addition to this, there are quite a number of departmental libraries sustained by the Government for the use of Government employees, from which books may be taken to the homes of the employees. The number of Government employees in Washington forms a very considerable part of the total population of the city, and the existence of these libraries, circulating as they do, carries library privileges to a very large part of the public, and the expense for their maintenance falls, quite properly, under the term "Library expenses."

Taking all these expenses together—for Congressional, for departmental, and for the Free Public Library of Washington—is not the statement true that the library expenses of the city of Washington are far greater than the same expenses for the cities named in my last public utterance?

But it was not my intention in abbreviating the caption of Census Bulletin No. 20, as to payment for expenses of libraries, art galleries, museums, etc., to limit the discussion to libraries alone, and I should have made no further reference to it but for the effort made to cast unnecessary odium upon the figures presented by me. Even in their limited sense, library expenses are greater, as I have shown, in Washington than in other cities, and in the sense of the caption the expenses of libraries, art galleries, museums, etc., are greater, as I have already shown in my remarks to-day.

It might be well to consider which set of authorities is better, the original reports of auditors for current years or the compilations of the Census for selected years. This may be answered by a further reference to the caption of Census Bulletin No. 20, "Payments for expenses of libraries, art galleries, museums, etc." In this caption reference is made to Table 21, page 241, of said bulletin. Referring to that page, we find the following analysis:

Libraries:	
Salaries and wages	$19,266
All other expenses	30,557
Total libraries	49,823
Art galleries, museums, etc.:	
Salaries and wages	
All other expenses	85,610
Total art galleries and museums	85,610

The auditor of the District of Columbia, in his detailed statement of expenditures of the government of the District of Columbia for the fiscal year ended June 30, 1903, gives the following statement of expenditure for the Free Public Library:

Salaries of employees	$16,178
Purchase of books	19,453
Binding	325
Contingent expenses	3,872
Total library expenses	39,828

The Census authorities figure the expense at $49,823, while the auditor of the District makes that expense $39,828, or nearly $10,000 less than the compilation made by the Census authorities.

The sundry civil appropriation bill for the year 1901–2 made an appropriation for the year ended June 30, 1903, to the National Zoological Park of $90,000 for general maintenance and $10,000 additional for the construction of an elephant house; in all $100,000. One-half to be paid from the revenues of the District of Columbia and one-half from the Treasury of the United States. The auditor of the District of Columbia in his detailed statement of expenditures for the year ended June 30, 1903, gave the expenditure for the National Zoological Park at $98,790.

The appropriation was $100,000; the auditor reports an expenditure of $98,790; the Census Bureau places it at $85,610.

Is not the presumption in favor of the original matter contained in the report of the auditor, rather than in any compilation made by the most careful board of compilers it is possible to have?

Why should an appropriation made to the National Zoological Park be included under the caption "Payments for expenses of libraries, art galleries, museums, etc." when in the same classification as made by the same authorities, the Census Bureau, there is another caption "Expenses for public recreation?" The system of classification adopted by the Census authorities is very scientific, and the caption for public recreation is analyzed into general expense, expense for parks, gardens, etc., expense for baths, bathing beaches, etc., expenses for celebrations and entertainments, and miscellaneous expenses. The expenses for the National Zoological Park would, I should think, logically fall under this caption and not under the caption "Payments for expenses of libraries, art galleries, museums, etc."

The final action of this Congress upon the District Appropriation bill is not yet known, but the final action of this House has been taken, and I am glad to say that the figures indicate not only a large reduction over the amounts asked for by the Commissioners of the District of Columbia, but also only a very small addition to the amount appropriated at the last session of the Fifty-eighth Congress.

The total amount appropriated for the fiscal year ending June 30, 1906, was $9,396,029.

The total amount recommended by the Secretary of the Treasury for the District of Columbia, according to Document No. 12, estimates of appropriations required for the service of the fiscal year ending June 30, 1907, was $11,299,264.

It is understood that the estimates of the Commissioners of the District of Columbia for the same period were much greater than those actually recommended by the Secretary of the Treasury.

The total amount appropriated by this House under House bill 18198 for the year ending June 30, 1907, is approximately $9,822,994.

Thus the appropriations made by this House at this session show a reduction of $1,476,270 approximately over the estimate submitted by the Secretary of the Treasury, and a still greater reduction over the estimate submitted by the Commissioners of the District of Columbia.

The work of scrutinizing District expenditures with reference to the municipal expenditures of other cities of the same or larger size has, therefore, I trust, begun, though it is not claimed that it has in any sense reached its logical growth. There are still many schedules of detailed expenditure in the District of Columbia that are abnormally high, and that may be materially reduced without injury to any interest connected with the development of the District of Columbia as a great municipality, or that will in any sense detract from that patriotism which demands that Washington, the capital city of the country, shall be the model city for the whole country. But we must not forget that the country at large, while favoring the most generous expenditure of money for every real demand of Washington's development, will not countenance extravagant expenditures.

Useless places must be eliminated; salaries beyond the merits of the men performing the service must be cut out; salaries paid clerks and inspectors in Washington must be cut down to something like equality with the salaries paid by other cities for the same service.

In this way, and in this way alone, may we hope to make Washington great and beautiful and clear our skirts of claims of extravagance and misappropriation. The good work of investigation and curtailment has been at least inaugurated, and it is left for future committees to make more careful examinations and to further reduce the unnecessary and extravagant expenditures of the District of Columbia.

It must be borne in mind that the criticism which has from time to time been made by me was not aimed so much at the amount of money expended as at the extravagance in the manner of expenditure. Were it the wish of the country at large I personally would be glad to see appropriated even double the amount of money which the present District bill carries, provided it would be properly expended and bring about proportionate results.

The spirit of parsimony should not prevail as far as the advancement of Washington is concerned, being as it is the national capital, but the curtailment of extravagance in the management of the municipal government, functions of which are performed in other cities equally as well, if not better, at a

much less expenditure, should receive, in my judgment, the careful attention of all the Members of this House.

At the risk of being accused of repetition, but with the hope of impressing more forcibly figures which have, perhaps, already been presented, I will briefly review what seems to me to be the most important points heretofore touched upon, including tables taken from Census Bulletin No. 20.

My first speech of February 14, 1906, dealt with comparisons between Washington, St. Louis, Baltimore, Buffalo, Pittsburg; Newark, N. J.; Chicago, Cincinnati, Cleveland, Milwaukee, Philadelphia, Detroit, Louisville, and San Francisco. In that speech I took the ordinary method of presenting expenditure by classifying it into gross and net expenditure, and under net or ordinary expenditure dealt with office expenses and expenses for the police department, fire department, extension and improvement of streets, street cleaning, street repairing and lighting, bridges and sewers, schools, charities, and corrections for the year 1904. I presented a series of tables carefully compiled from the reports of the auditors of these cities, being first-hand and the latest available reports, carefully differentiating each of these heads, and making a series of subheads showing the amounts paid for the subdivisions of each of these heads. Thus under extension and improvement of streets subdivisions were made showing comparative expenditure for extension and improvement; under street cleaning, the expense for cleaning proper was separated from the expense for collecting ashes and garbage; repairing was carefully separated from lighting, and bridges from sewers; in school expenditure a separation was made between salaries and money paid for buildings and supplies.

By this method it was possible for any man, the truth of the figures being admitted, to reach a rational conclusion as to the comparative expenses of the cities named. It is always proper to deny the accuracy of figures, and to prove their inaccuracy by the substitution of others. It is possible in the presentation of great masses of figures, taken from a number of voluminous reports, to fall into error, and it is the right of every disputant, if error exists, to prove it from the record. But no such method was adopted by those who essayed to answer my speech, and the logical inference is that my figures were correct. In fact, the figures were admitted, but the deductions made from them denied, or the figures were admitted, but the method of their presentation was declared to be unfair. An effort was made to show that office expenditures in Washington were different from office expenditures elsewhere, and that no fair comparison between them could be made; that as the Government paid half the expenses of the District of Columbia it was unfair to compare the valuations of Washington with the valuations of other cities; the character of the Government of the District was so unique, having the threefold functions of a State, county, and city government, that no fair comparison could be made between it and other cities, etc.

It will be seen from these answers that the truth of my figures was not denied and that their force was parried by quibbles and inconsequential averments. Thus of what consequence is it to anybody in a comparison of expenses between Washington and another city to say that the Government pays half the expenses and that a fair comparison demands either that the valuation be doubled or the expenditure cut in two? What had valuation to do with the figures quoted? I dealt with expenditure, and showed that the total net or ordinary expenditure of the city of Washington for the year 1904 was out of all proportion in extravagant outlay to the expenditures of other-named cities. Does it make the expense any less to have the Government pay one-half of it? It does make the expense less to the taxpayers of the city of Washington, but this is a matter of no consequence whatever, however, in a comparative statement of the expenditures between cities.

On March 16, 1906, I presented another speech showing the undervaluations and inequalities of assessment which obtained in the District of Columbia, and on March 22 another in which I paid particular attention to the answers of certain newspaper criticisms, in which I showed that all the matters of avoidance specially set up were unfounded in fact and unworthy of serious consideration. I also submitted a table taken from Bulletin 20, census statistics, showing the total and per capita payments for classified expenses for the year 1903. No attempt having been made to answer my statistics for the year 1904, except by the pleas in avoidance already referred to, and my critics having shifted the ground to 1903 and referred to Bulletin 20, census statistics for that year, I cheerfully met them upon their own ground and published two full pages of said bulletin which not only bore out the accuracy of my previous classifications, but also supported every figure presented therein. In that report it was shown that the expenses for general administration in Washington were greater than those of Milwaukee and Cleveland, and far greater in proportion than those of Detroit, Pittsburg, and Buffalo. That the expenses for courts were greater than those for New Orleans, Detroit, Milwaukee, Cincinnati, Pittsburg, Buffalo, and Cleveland. In fact, almost four times as great as the greater number of these cities. That the expenses for the police department were greater than those of the larger cities New Orleans, Detroit, Milwaukee, Cincinnati, Pittsburg, Cleveland, or Buffalo. That the expenses for the health department were greater than those of New Orleans, Detroit, Milwaukee, Cincinnati, or Buffalo. These figures showed that the expenditures for public charities and corrections were from two to eighteen times greater than those of New Orleans, Detroit, Milwaukee, Cincinnati, Pittsburg, San Francisco, Buffalo, Cleveland, Baltimore, St. Louis, and Chicago, being excelled alone by New York, Philadelphia, and Boston. For public highways the expenditures were from two to four times as great as those of New Orleans, Detroit, Milwaukee, Cincinnati, Pittsburg, San Francisco, Buffalo, Cleveland, or Baltimore, and almost equal to those of Chicago, the expenditure for highways in Washington being $1,001,298, and in Chicago, $1,027,701. In the matter of public sanitation the expenses of Washington were very much greater than those of New Orleans, Detroit, Milwaukee, Cincinnati, Pittsburg, San Francisco, Buffalo, Cleveland, and Baltimore. For public recreation the expenditures of Washington exceeded New Orleans, Milwaukee, Cincinnati, Pittsburg, and Cleveland. In payments for schools Washington exceeded New Orleans, Milwaukee, Cincinnati, San Francisco, and Buffalo. These figures taken from Bulletin 20 simply aggravated the disease. The claimed extravagance of my initial figures faded into insignificance when brought into juxtaposition with the figures of Bulletin No. 20, the authority upon which the criticisms were based.

The same objections might be made by me to the separate classification in Census Bulletin No. 20 as were made by the critics to the classifications in my original speech. But these would be but quibbles, as all classifications are subject to this kind of criticism. Census Bulletin No. 20 deals with "aggregate corporate expenses," and explains that term on page 27 of the volume. The bulletin also deals with corporate payments, and makes these payments include all payments for (1) general service, (2) municipal service, (3) municipal investment, (4) municipal industrial expenses; for (1) general and (2) commercial or special improvement outlays and for the reduction of debt. All of these I included under the shorter term "gross expenditure," and for 1904 showed that Washington expended more in this way than the six cities St. Louis, Boston, Baltimore, Buffalo, Pittsburg, and Newark, N. J.

On page 446 of Census Bulletin No. 20 the aggregate corporate payments or gross expenditures for forty-nine cities are shown, from which I extract the following outlays, adding only the population of each of the cities for 1900:

City.	Population.	Aggregate corporate payments.	Per capita payments.
Washington	278,718	$10,843,620	$36.98
Baltimore	508,857	8,442,400	15.89
Cleveland	381,768	9,904,321	23.87
Buffalo	352,887	7,271,955	19.07
San Francisco	342,782	6,855,163	19.26
Cincinnati	325,902	7,915,106	23.77
Pittsburg	321,616	11,875,111	34.42
Milwaukee	285,315	5,226,012	16.70
Detroit	285,704	6,000,442	19.38
New Orleans	287,104	4,453,125	14.81

Thus of the fourteen cities having a population greater than Washington, Washington had a greater aggregate outlay than eight of them. Of the forty-nine cities on page 446 of said bulletin, Washington had a greater outlay than forty-three of them, and her per capita expenditure exceeded all of them save New York and Boston.

I consider this a most extravagant showing.

But suppose we look at the detailed heads of expenditure as set out in Bulletin No. 20. On page 446, under "Payments for general and municipal service expenditure," we find the following:

Washington	$6,502,475
Cleveland	5,561,781
Buffalo	5,346,749
San Francisco	6,172,566
Pittsburg	5,463,586
Cincinnati	5,178,131
Milwaukee	3,457,542
Detroit	3,819,409
New Orleans	3,447,913

Washington paid more than any one of the forty-nine cities

on the page for this item, except New York, Chicago, Philadelphia, St. Louis, Boston, and Baltimore. It will be noticed that Baltimore expended but a trifle more than Washington and that the aggregate expense of the item, "Payments for general and municipal service expenditure" makes up more than three-fifths of the aggregate outlay or gross expenditure.

On the same page, under caption "Outlays for municipal industries," we have:

Washington	$1,161,187
Chicago	919,781
St. Louis	494,480
Boston	1,158,643
Baltimore	224,528
Cleveland	908,941
Buffalo	65,750
Milwaukee	110,693
Detroit	492,614
New Orleans	6,443

Municipal industries cost more in Washington than in any of the forty-nine cities, except New York, Philadelphia, Cincinnati, and Memphis.

On the same page, under caption "Other than municipal industries," we have:

Washington	$2,198,550
Baltimore	637,669
Buffalo	1,416,728
San Francisco	400,423
Cincinnati	888,644
Milwaukee	1,335,851
Detroit	1,301,962
New Orleans	655,497

Now, these three items, payments for general and municipal service expenditure, outlays for municipal industries, and outlays for other than municipal industries, make up in their aggregate what I termed in my first speech "net" or "ordinary" expenditure, and which for 1904 I calculated to be $9,079,908.

Collecting these three items, we have as the net or ordinary expenditure for 1903, according to Census Bulletin No. 20, the following:

Payments for municipal service expenses	$6,502,475
Payments for municipal industries	1,161,337
Payments for other industries	2,198,550
Total net or ordinary expenses	9,862,362

So that the vague criticism that my classification was too general, and therefore liable to be misleading, falls to the ground. The expenditure for the ordinary expenses of District government for 1904 under my classifications were less than those worked out by the census bulletin of 1903. The absolute verity of my classifications for comparative purposes is, therefore, I consider, established, and all indirect criticism clearly out of place.

Consolidation and Reorganization of Customs Collection Districts.

SPEECH

OF

HON. WILLIAM S. BENNET,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, June 30, 1906,

On the bill (H. R. 14606) to provide for the consolidation and reorganization of customs collection districts, and for other purposes.

Mr. BENNET of New York said:

Mr. SPEAKER: From time to time during this and preceding Congresses press and platform have rung with denunciations of ourselves and our predecessors because of asserted defects in the consular service. Some of this criticism was just and much of it unjust. In due course, at this session, the Congress passed and the President approved the consular reform bill. At once criticism was made that we had "emasculated" the bill because of our greed to control patronage. Answering this particular criticism through the columns of the New York Sun I ventured to point out that the provision that had been "emasculated" out was clearly and plainly unconstitutional. I also had the temerity to suggest that everything that the Congress clearly had not the constitutional power to do the President just as clearly had. Thereupon I came in for some criticism, personally, upon two quite conflicting grounds:

First. That my position was unsound legally.

Second. That though my position might be sound legally, still the legislation, being of good intention, ought nevertheless to have been enacted.

Personally I have never yet voted for a clearly unconstitutional separable provision simply because it had good intentions. It would belittle a lawyer to argue such a proposition, except by stating his opposition to it. The power which I contended the President possessed he has just exercised on the advice of a great lawyer and a great Secretary. The letter of Secretary Root and the President's order are as follows:

DEPARTMENT OF STATE,
Washington, June 25, 1906.

To the PRESIDENT:

I transmit herewith, for your consideration, a draft executive order designed to extend the system commonly called the "merit system," of the civil service, to the consular branch of the service.

The main features of the order were embodied in the early forms of the consular reorganization bill passed at this session of Congress, but they were dropped out largely for the reason that their enactment by Congress would appear to be an infringement upon the President's constitutional power to appoint consuls. Your adoption of these rules by executive order will be free from that objection, and, judging from the very positive commendation which many Members of both Houses have expressed for the proposed change in the method of appointing consuls, I do not doubt that the new system will receive the hearty approval of the Senate and of Congress whenever occasion may arise for an expression upon the subject.

The principle of the new rules was heartily approved by a very representative convention held in Washington last winter, composed of leading business men from all parts of the country, and both the principle and the practical adaptability of the rules have been subjected to careful consideration by a board of five of the most able and experienced officers in the consular service, convened in Washington on the 4th of this month for the purpose of advising upon the application of the new reorganization act to the service. That act by its terms is to take effect on the 30th day of June, and it is desirable that the new rules take effect at the same time.

Very respectfully,

ELIHU ROOT.

CONSULAR SERVICE—REGULATIONS GOVERNING APPOINTMENTS AND PROMOTIONS.

Whereas the Congress, by section 1753 of the Revised Statutes of the United States, has provided as follows:

"The President is authorized to prescribe such regulations for the admission of persons into the civil service of the United States as may best promote the efficiency thereof, and ascertain the fitness of each candidate in respect to age, health, character, knowledge, and ability for the branch of service into which he seeks to enter; and for this purpose he may employ suitable persons to conduct such inquiries, and may prescribe their duties, and establish regulations for the conduct of persons who may receive appointments in the civil service."

And whereas the Congress has classified and graded the consuls-general and consuls of the United States by the act entitled "An act to provide for the reorganization of the consular service of the United States," approved April 5, 1906, and has thereby made it practicable to extend to that branch of the civil service the aforesaid provisions of the Revised Statutes and the principles embodied in the civil-service act of January 16, 1883.

Now, therefore, in the exercise of the powers conferred upon him by the Constitution and laws of the United States, the President makes the following regulations to govern the selection of consuls-general and consuls in the civil service of the United States, subject always to the advice and consent of the Senate:

1. Vacancies in the office of consul-general and in the office of consul above class 8 shall be filled by promotion from the lower grades of the consular serivce, based upon ability and efficiency as shown in the service.

2. Vacancies in the office of consul of class 8 and of consul of class 9 shall be filled:

(*a*) By promotion on the basis of ability and efficiency, as shown in the service, of consular clerks, and of vice-consuls, deputy consuls, and consular agents who shall have been appointed to such offices upon examination.

(*b*) By new appointments of candidates who have passed a satisfactory examination for appointment as consul as hereafter provided.

3. Persons in the service of the Department of State with salaries of $2,000 or upward shall be eligible for promotion, on the basis of ability and efficiency as shown in the service, to any grade of the consular service above class 8 of consuls.

4. The Secretary of State, or such officer of the Department of State as the President shall designate, the Chief of the Consular Bureau, and the Chief Examiner of the Civil Service Commission, or some person whom said Commission shall designate, shall constitute a Board of Examiners for admission to the consular service.

5. It shall be the duty of the Board of Examiners to formulate rules for and hold examinations of applicants for admission to the consular service.

6. The scope and method of the examinations shall be determined by the Board of Examiners, but among the subjects shall be included at least one modern language other than English; the natural, industrial, and commercial resources and the commerce of the United States, especially with reference to the possibilities of increasing and extending the trade of the United States with foreign countries; political economy; elements of international, commercial, and maritime law.

7. Examination papers shall be rated on a scale of 100, and no person rated at less than 80 shall be eligible for certification.

8. No one shall be examined who is under 21 or over 50 years of age, or who is not a citizen of the United States, or who is not of good character and habits and physically and mentally qualified for the proper performance of consular work, or who has not been specially designated by the President for appointment to the consular service subject to examination.

9. Whenever a vacancy shall occur in the eighth or ninth class of consuls, which the President may deem it expedient to fill, the Secretary of State shall inform the Board of Examiners, who shall certify to him the list of those persons eligible for appointment, accompanying the certificate with a detailed report showing the qualifications, as revealed by examination, of the persons so certified. If it be desired to fill a vacancy in a consulate in a country in which the United States exercises extraterritorial jurisdiction, the Secretary of State shall so inform the Board of Examiners, who shall include in the list of names certified by it only such persons as have passed the examination provided for in this order, and who also have passed an examination in the fundamental principles of the common law, the rules of evidence,

and the trial of civil and criminal cases. The list of names which the Board of Examiners shall certify shall be sent to the President for his information.

10. No promotion shall be made except for efficiency, as shown by the work that the officer has accomplished, the ability, promptness, and diligence displayed by him in the performance of all his official duties, his conduct, and his fitness for the consular service.

11. It shall be the duty of the Board of Examiners to formulate rules for and hold examinations of persons designated for appointment as consular clerk, and of such persons designated for appointment as vice-consul, deputy consul, and consular agent as shall desire to become eligible for promotion. The scope and method of such examination shall be determined by the Board of Examiners, but it shall include the same subjects hereinbefore prescribed for the examination of consuls. Any vice-consul, deputy consul, or consular agent now in the service, upon passing such an examination, shall become eligible for promotion, as if appointed upon such examination.

12. In designations for appointment subject to examination and in appointments after examination due regard will be had to the rule that as between candidates of equal merit appointments should be so made as to secure proportional representation of all the States and Territories in the consular service; and neither in the designation for examination or certification or appointment will the political affiliations of the candidate be considered.

THEODORE ROOSEVELT.

THE WHITE HOUSE, *June 27, 1906.*

The Executive order supplements, as it alone could supplement, the act of Congress. The consular system has been taken out of politics; it has been classified; provision has been made for proper promotions. The President and the Congress have each done their duty. The order may, indeed, be subject to minor criticisms, but time and experience will afford material for proper amendment.

Two duties remain upon us. We should, as individuals, impress upon our constituents that the President's order is a wise one and that it will be enforced; as a Congress we should provide adequate salaries, so that able men can afford, without too great sacrifice, to accept consular positions. Doubtless we will perform both duties.

Modification of Chinese-Exclusion Laws.

SPEECH

OF

HON. CHAMP CLARK,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, May 26, 1906.

The House being in Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 19264) making appropriations for the diplomatic and consular service—

Mr. CLARK of Missouri said:

Mr. CHAIRMAN: I am opposed to the Foster bill and every other bill that looks in any wise toward breaking down any part of the present Chinese-exclusion law. I am opposed to the suggestions in the President's letter or to anybody else's suggestions that look in that direction, and the difficulty about all of these proposed amendments to turn this business over to the certification of our consuls in Asia is that no human being can tell by looking at them to what class the Chinamen belong, and I am opposed to breaking down any of these safeguards. They are grounded in wisdom and patriotism—founded upon the law of self-preservation, the supreme law of human nature.

It required years of ceaseless and systematic agitation, years of constant endeavor in Congress and out of it to place upon our statute books the effective laws which we now have upon that subject. These laws were enacted as an answer to the appeal of the laborers of the land to be protected from the competition of Chinese cheap labor, and their appeal is as strong to-day to us to maintain the Chinese-exclusion laws in their integrity—to strengthen rather than to weaken them—as it was for their original enactment.

The present law is the best and strongest ever placed upon our statute books. As it passed the House it was better and stronger than it was as finally enacted into law; for the House bill contained a provision protecting our sailors from competition with Chinese sailors. To that the Senate was unalterably opposed and in conference it went out. The plain unvarnished truth of history is that the Senate amendments to the House bill, if agreed to by the House conferees, would have emasculated the bill so as to make it of little or no effect; but the House conferees held out and won a victory in all the propositions in dispute except as to the provision excluding Chinese seamen from our ships. In that regard the House conferees were compelled to reluctantly yield or secure no bill, which would have been ruinous to the laborers of America.

The laborers of this country constitute its glory and its strength. They created its wealth. They are entitled not only to stringent Chinese-exclusion laws, but to have them honestly and rigidly enforced, and no executive officer, high or low, great or small, has a right to suspend, modify, or mitigate any law upon our statute books.

Democrats are in favor of the eight-hour law. Both the eight-hour law and the Chinese question were involved at the same time and in the same measure in the early part of this session of Congress.

On January 26, 1906, the subject of debate being a deficiency appropriation for the building of the Panama Canal, the following proceedings were had:

Mr. LITTAUER. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

"On page 16, after line 2, insert the following:

"'The provisions of the act entitled "An act relating to the limitations of the hours of daily service of laborers and mechanics employed upon the public works of the United States and of the District of Columbia, approved August 1, 1892," shall not apply to alien laborers employed in the construction of the isthmian canal within the Canal Zone.'"

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York.

Mr. UNDERWOOD. Mr. Chairman, I have already several days ago stated my opposition to this amendment. This morning I again stated my opposition to the adoption of this amendment under the rule. It is not necessary for me to take up the time of the House with a further discussion of the proposition, but I am not willing to even allow it to be adopted in committee without entering my protest against this class of legislation.

Mr. FITZGERALD. Mr. Chairman, I wish to inquire where this particular amendment originated.

Mr. LITTAUER. It comes from the Committee on Appropriations, as amended by the Committee on Rules.

Mr. FITZGERALD. Do I understand the gentleman to say that this particular amendment originated in the Committee on Appropriations?

Mr. LITTAUER. I offered the amendment myself. It was acted upon by the Committee on Rules, and here it is.

Mr. FITZGERALD. With due deference to the statement of my colleague, this amendment is not in the language of the rule introduced by him and referred to the Committee on Rules. It is an entirely different provision.

Mr. LITTAUER. Why, does the gentleman not know it was amended by the Committee on Rules and is here by authority of the House?

Mr. FITZGERALD. I was just about to state, Mr. Chairman, what had happened to the amendment suggested by my colleague in his resolution. His resolution provided for the abrogation of the eight-hour law so far as it applied to work upon the isthmian canal. That resolution went to the Committee on Rules. I am unable to state what transpired there to make that committee change the wording of the resolution introduced by my colleague. There must, of course, have been some good reason why the Committee on Rules changed this amendment so that it would apply only to alien labor. I have been unable——

Mr. GROSVENOR. Mr. Chairman——

The CHAIRMAN. Does the gentleman from New York yield to the gentleman from Ohio?

Mr. FITZGERALD. I will.

Mr. GROSVENOR. I think if the gentleman from New York will address a respectful inquiry to the gentleman from Missouri [Mr. DE ARMOND], a member of the Committee on Rules, he will probably have a satisfactory answer to his question.

Mr. FITZGERALD. Mr. Chairman, I am grateful to the gentleman from Ohio, a member of the Committee on Rules, for the very full information that he has given to the committee as to what transpired in his committee when this rule was considered. I am not accustomed, when measures are brought before this House, to go off into secret places to inquire as to the motives that prompted the majority in bringing those measures before the House. If the Committee on Rules is unable to give any good reason, if the Committee on Rules can not justify its action, if the very versatile and ingenious gentleman from Ohio can do no better than to refer me to a gentleman on this side of the House, then I suppose that, in common with other gentlemen on this side of the House, I shall have to be content with that explanation. This proposed amendment has never been suggested or recommended by any official of the Government. The Committee on Appropriations did, at the suggestion of the Secretary of War, without ample consideration, without proper consideration, attempt to insert a provision in this bill that would abrogate the eight-hour law so far as it applied to this work. I have always been opposed to efforts to legislate upon appropriation bills. During the past few years I have taken, whenever possible, provisions which were legislative out of appropriation bills. This is a matter that is of vast importance to a great number of citizens of this country, and if no better reasons can be assigned than those assigned by the gentleman from Ohio for this action I am content to let the case stand in that way.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. CLARK of Missouri. Mr. Chairman, is this that eight-hour amendment?

The CHAIRMAN. The Clerk has reported the amendment.

Mr. CLARK of Missouri. I know, but I am asking for information. Is this the eight-hour amendment?

The CHAIRMAN. The Clerk has reported the amendment. Does the gentleman from Missouri desire the Clerk to again report the amendment?

Mr. CLARK of Missouri. No. I was asking the Chair the simplest question in the world.

The CHAIRMAN. The Chair will ask the gentleman to draw his own conclusion.

Mr. CLARK of Missouri. Then, Mr. Chairman, I ask that it be again reported.

The CHAIRMAN. Without objection, the amendment will be again reported. [After a pause.] The Chair hears no objection.

The Clerk again reported the amendment.

Mr. CLARK of Missouri. Now, Mr. Chairman, I would like to have about five minutes.

The CHAIRMAN. Debate against the amendment is exhausted.

Mr. CLARK of Missouri. Well, I move to strike out the last word.

The CHAIRMAN. The gentleman from Missouri moves to strike out the last word.

Mr. LITTAUER. Mr. Chairman, I move that all debate——

The CHAIRMAN. The gentleman from Missouri has been recognized on a motion to strike out the last word.

Mr. CLARK of Missouri. Now, Mr. Chairman, it seems to me from all the facts in this case that this amendment can not affect the thing that it pretends to affect. If these people down there are paid by the hour, then it does not affect their wages, and in my judgment, with all due respect to the opinions of everybody else, I believe it is an effort to break down the eight-hour law; but let that be as it may, I am a good deal interested in another feature of this performance. It was stated here on the floor of the House this morning that the Secretary of War had suggested that the restrictions as to the exclusion of Chinese coolies be removed as to the Canal Zone. I had somewhat to do with the passage of that Chinese bill through this House, and the truth about it is if I could have gotten certain persons to stand up to me in another place than this we would have forced on the statute books of this country the Chinese-exclusion act as it went through this House, a much more stringent measure than the present law; but I want to read you the phraseology of the present law—just a little of it; I am not going to read it all:

"That all laws now in force prohibiting and regulating the coming of Chinese persons, and persons of Chinese descent, into the United States, and the residence of such persons therein, including sections 5, 6, 7, 8, 9, 10, 11, 13, and 14 of the act entitled 'An act to prohibit the coming of Chinese laborers into the United States,' approved September 13, 1888, be, and the same are hereby, reenacted, extended, and continued so far as the same are not inconsistent with treaty obligations, until otherwise provided by law, and said laws shall also apply to the island territory under the jurisdiction of the United States, and prohibit the immigration of Chinese laborers, not citizens of the United States, from such island territory to the mainland territory of the United States, whether in such island territory at the time of cession or not, and from one portion of the island territory of the United States to another portion of said island territory."

Well, now, it is a good while since I studied geography. The Republicans have broken down the Declaration of Independence and the Constitution of the United States, but I have never understood that they had gone into the dictionary-making business, and according to the old geographies this Canal Zone is not an island territory, but it is an isthmian territory.

If the Secretary of War has asked that the restrictions as to the Chinese be taken off as to this Canal Zone, as was stated here a while ago, then it is apparent that this amendment is part and parcel of that same scheme. I do not propose, as far as I am concerned, to have the white laborers of the United States brought into competition with the Chinese coolies. [Applause.] And out of an abundance of caution I intend to introduce here, just as quickly as I can prepare it, a bill to apply the Chinese-exclusion act to the Isthmus of Panama and the Canal Zone, and, while I am at it, make it extend to Japanese and Korean coolies too, for all coolies look alike to me. [Laughter.] We might as well be honest about it. If certain people want this canal built by Chinese coolies, let them get up here and say so without any beating about the bush. But if they do not want it done, they will vote for that bill I intend to introduce here just as quickly as I can write it.

Mr. LITTAUER. Mr. Chairman, I move that the debate on the pending amendment and amendments thereto be now closed.

The CHAIRMAN. The gentleman from New York moves that debate upon this amendment and all amendments thereto be now closed.

The question was taken; and on a division (demanded by Mr. CLARK of Missouri) there were—ayes 96, noes 40.

Mr. CLARK of Missouri. Mr. Chairman, I demand tellers.

Tellers were ordered.

The CHAIRMAN. The gentleman from New York, Mr. LITTAUER, and the gentleman from Missouri, Mr. CLARK, will take their places as tellers.

The committee again divided; and the tellers reported—ayes 93, noes 41.

So the motion was agreed to.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. UNDERWOOD) there were—ayes 79, noes 35.

Mr. UNDERWOOD. Mr. Chairman, I demand tellers.

Tellers were ordered.

The CHAIRMAN. The gentleman from New York, Mr. LITTAUER, and the gentleman from Alabama, Mr. UNDERWOOD, will take their places as tellers.

The committee again divided; and the tellers reported—ayes 83, noes 35.

So the amendment was agreed to.

Mr. CLARK of Missouri. Mr. Chairman, I desire to offer an amendment to that section.

The CHAIRMAN. The gentleman from Missouri [Mr. CLARK] offers an amendment, which the Clerk will report.

The Clerk read as follows:

"Amend by adding: 'The provisions of the law now in force excluding Chinese cooly laborers from our mainland and our island possessions are hereby extended to the isthmian Canal Zone, and shall also apply to Japanese and Korean coolies.'"

Mr. LITTAUER. Mr. Chairman, I make a point of order against that amendment as not being germane, and that it changes existing law.

The CHAIRMAN. Does the gentleman from Missouri desire to discuss the point of order?

Mr. CLARK of Missouri. Yes, sir. I desire to say also that the amendment just added changes existing law.

Mr. TAWNEY. By the rule of the House?

Mr. CLARK of Missouri. By the rule of the House? By the rule of the committee. Now, it seems to me a very strange thing if that kind of an amendment can be added here by that kind of a process and mine can not be added. While I am about it now, with the indulgence of the Chair, I want to read one sentence from a document that was put into the RECORD by my friend from Ohio [Mr. GROSVENOR]. It is an address or something of the sort by Mr. Shonts:

"There is no question of American labor involved in Isthmus work, and I repeat what the Commission has urged in its annual report, that it is a mistake to handicap the construction of the Panama Canal with any laws save those of police and sanitation, and that labor on the Isthmus should be excluded from the application of the eight-hour law, the contract-labor law, the Chinese-exclusion act, and any other law passed or to be passed by Congress for the benefit of American labor at home."

For that reason and by reason of this suggestion I offer this amendment. That is all I have to say about it.

I quote that pregnant passage from the CONGRESSIONAL RECORD to show certain things: 1. That the Democrats fought on that occasion to make the eight-hour law apply to work on the canal. 2. To have the Chinese-exclusion law apply to the Canal Zone. 3. On both propositions we were defeated by sheer force of numbers. 4. That the Administration, through its Cabinet officer and other officers, was opposed to having the eight-hour law and the Chinese-exclusion law apply in building the isthmian canal. The upshot of that day's work is that the Republicans had their way, and in building the canal neither the eight-hour law nor the Chinese-exclusion law applies. This performance alone, it seems to me, should demonstrate to the laborers of America who their friends are. A tree is judged by its fruit, and a party must be judged by what its representative men do.

The aforementioned action of the Republican House touching the building of the canal is only part and parcel of a general scheme to break down or modify the Chinese-exclusion law. The pretext for this is the much-magnified Chinese boycott against American products. To render this boycott as great a bugaboo as possible divers persons, very capable mentally—including an eminent Republican who has been both a member of the Cabinet and minister abroad, and who has acted as counsel for the Chinese on important occasions—have been employed to scare American business men into advocating a breaking down of our Chinese-exclusion policy.

STATEMENTS OF CHAIRMAN HERMAN J. SCHULTEIS AND OF PRESIDENT SAMUEL GOMPERS.

As to the nonenforcement of the laws now on the statute books, it is apropos to quote certain remarks of Mr. Herman J. Schulteis, chairman national legislative committee Knights of Labor, who quotes Mr. Samuel Gompers, president American Federation of Labor. Before the Senate Committee on Education and Labor, April 6, 1904, Mr. Schulteis said inter alia:

I make this remark because of my experience before Congressional committees since I first appeared in 1885 in behalf of labor organizations in advocacy of the "alien contract labor law," which law, by the way, is not now and never has been properly enforced. According to the Government reports on the immigration question, only a fraction of 1 per cent of the alien immigrants are barred by the immigration officials, instead of from 26 to 28 per cent, as would be the case if the existing laws were enforced. There are over 8,000 contract laborers in this country now brought by one corporation (the Pennsylvania Railroad) and nearly 1,500 of them are at work to-day within the nation's capital, doing the rough work on the new Union Depot. Said corporation is liable to a fine of $1,000 for each alien brought under contract, express or implied, and yet the authorities have not entered suit for a single one of them. Comment is unnecessary. These men work on ten-hour shifts for $1.50 per diem.

Officials hostile to the principles embodied in the laws are put in high places of executive authority, and woe to the subordinate who does not sneeze when the chief takes snuff. Trivial or false charges are placed against him (I speak this from personal experience as an immigrant inspector and as a member of the board of special inquiry at Ellis Island, N. Y.), and he is dismissed forthwith, without a trial or a chance to face his accusers—without a hearing, no matter how earnestly he may plead for the same. A recent Executive order added to the civil-service law leaves it within the discretion of the chief as to whether a subordinate may defend himself or not. This discretionary power places every subordinate, female as well as male, completely at his mercy.

The civil-service law gives no security to employees who respect their oaths of office and perform their duties to the best of their ability. The laws are enforced only so far as the chief approves of them. This is true of all laws passed in the interest of organized labor. The eight-hour law is being violated to-day by nearly 600 men who are working on the new reservoir and the filtration plant, a public work in this city. The new post-office at the nation's capital was built on the nine-hour plan, although there was and is an eight-hour law on the statute books.

The Chinese-exclusion act is being violated every day, and it is a notorious fact that there are more Chinese in a single city than are entitled to be in the entire country under our treaty with China. It was this nonenforcement of existing law that prompted me to say before the Committee on Labor of the House on March 26, 1904 (see printed "Hearings on eight hours for laborers on Government work," p. 422):

"The organization which has given me credentials to appear before you in advocacy of further "eight-hour" legislation has had its representatives before Congressional committees since 1868. We supposed then that the act of June 25, 1868, would secure the eight-hour workday for us on all work done by or on behalf of the Government of the United States, as is required by that law in letter and spirit. But, unfortunately, there have been executive officers in charge at various times and places in the navy-yards, arsenals, on Government buildings, and other public works who were hostile to the principle embodied in the law, and on that account were so bold as to flagrantly violate not alone their oaths of office but the positive enactment of the Congress.

"They set up 'men of straw' cases, ingeniously worded, in order to get a narrow construction of the law from the courts and still narrower opinions from the Attorneys-General, giving to these mere opinions a weight greater than the decisions of the Supreme Court of the United States, greater than the plain intent of Congress, and overriding even the proclamations of the President of the United States, made by President Grant on May 19, 1869, and May 11, 1872, respectively. To meet this positive disregard of the law we have appeared from time to time to urge amendments and penalties which would compel the enforcement of the law by unfriendly executive officials.

"We appeared before the O'Neil committee, the McGann, the Wade, the Buchanan, the Blair, the Kyle, the Phillips, the Gardner, and the McComas committees, all with the same object in view, to perfect the eight-hour law and stop the violations of it.

"In this instance, as was the case in the last Congress, we seek to enlarge its scope so as to include the Territories, provide additional penalties and inspectors, and to make the law automatic by a provision in the contracts, rather than to compel the individual laborer to resort to the courts for his rights under the law. No new principle is involved, and all questions of personal and natural rights are avoided."

Relative to the nonenforcement of the eight-hour law, Mr. Samuel Gompers, president of the American Federation of Labor, said, on February 11, 1904, during the above "Hearings" (see pp. 43 and 44):

"I desire to say I have had considerable correspondence with the officers of the Federal Government, with the heads of Departments, in regard to the enforcement of the present eight-hour law. I find that it has not been enforced, and that there is a different rule and a different practice obtaining in various Departments under the same law. I had some correspondence with the Secretary of War, who has just retired, and, in regard to the violations of the eight-hour law in West Virginia, in the building of one of the dams there, or several of the dams there, he quotes me an opinion of the Judge-Advocate-General, in which he says that the Department is not required to enforce the law; that if there is anyone having complaint to make, it is his privilege to go to a district attorney for the Federal Government and to make complaint.

"The ACTING CHAIRMAN. This work is being done by contractors?

"Mr. GOMPERS. Yes, sir; notwithstanding the fact that the present law makes it an offense, a misdemeanor, for any of the officers or representatives of the Federal Government to permit the violation of the eight-hour law.

"Mr. HUGHES. It has been generally ignored since it was passed in 1868, has it not?

"Mr. GOMPERS. When the eight-hour resolution was first adopted by Congress it was simply preparatory, and then the heads of Departments reduced the wages of the employees whose hours of labor had been reduced. President Grant issued a proclamation directing that there should be no reduction in wages by reason of the reduction in the hours of labor to eight. With the panic of 1873 there was again a laxity on the part of the officers of the Government in the enforcement of the law."

SOME QUEER DOCUMENTS.

June 24, 1905, there issued from the Department of Commerce and Labor two very queer documents, being Department Circulars Nos. 80 and 81. Circular No. 80 is in words and figures as follows:

AMENDMENTS TO THE CHINESE-EXCLUSION REGULATIONS.

DEPARTMENT OF COMMERCE AND LABOR,
OFFICE OF THE SECRETARY,
Washington, June 24, 1905.

To all officers charged with the enforcement of the Chinese-exclusion laws and all others whom it may concern:

The Chinese exclusion regulations approved May 3, 1905, are hereby amended so as to include rule 42*a*, hereby made and prescribed as follows:

RULE 42*a*. No Chinese person who shall satisfy the officer in charge that he belongs to one of the exempt classes (although not supplied with the certificate provided for by section 6 of the act of July 5, 1884), or, if not of an exempt class, that he is not a laborer, shall be required to comply with so much of the provisions of rules 39, 40, 41, and 42 as requires Chinese persons seeking the privilege of transit to furnish bond, to submit photographs of themselves, and to be measured according to the Bertillon system of identification. If, however, any such Chinese person, after having been admitted to pass in transit through the United States, be found therein at the expiration of twenty days from the date of such admission, he shall be deemed to be in the United States in violation of law, and shall be deported.

In addition to the above amendment, rules 1, 6, 12, 17, 35, 39, 40, 41, 42, and 43 of the Chinese-exclusion regulations approved May 3, 1905, are hereby amended so as to read as follows:

RULE 1. Under the provisions of the treaty and laws in relation to the exclusion of Chinese persons, only those who are teachers, students, travelers for curiosity or pleasure, merchants and their lawful wives and minor children, officials of the Chinese Government, together with their body and household servants, registered Chinese laborers, seamen, as provided in rule 38; those seeking in good faith to pass through the country to foreign territory, as provided in rules 39 and 42*a*, and persons whose physical condition necessitates immediate hospital treatment, shall be permitted to land under said laws at any port of the United States.

RULE 6. The examination prescribed in rule 5 should be separate and apart from the public, in the presence of Government officials and such witness or witnesses only as the examining officer shall designate, and if, upon the conclusion thereof, the Chinese applicant for admission is adjudged to be inadmissible, he should be advised of his right of appeal, and his counsel should be permitted, after duly filing notice of appeal, to examine and make copies of the evidence upon which the excluding decision is based.

RULE 12. All certificates, or other evidence, offered by Chinese persons to establish their right of admission to the United States, other than section 6 certificates and laborers' registration certificates, shall be retained by the officers in charge of the administration of the Chinese-exclusion laws at ports of entry; the immunity from arrest of the Chinese persons admitted thereon resting upon their exclusive occupation in the pursuits for which their certificates, or other evidence, claim that they respectively seek admission to the United States (see Rule 59): *Provided, however,* That if the officer in charge shall have good reason to believe that any person presenting a certificate is not the person to whom said certificate was issued, or is not a member of the exempt class as expressed in the certificate, he shall take up said certificate and forward the same to the Commissioner-General of Immigration at Washington, together with a statement of his reasons for so doing.

RULE 17. Only Chinese persons registered under the provisions of section 6 of the act approved May 5, 1892, as amended by the act of November 3, 1893, are entitled to return certificates.

RULE 35. The certificates prescribed by section 6 of the act of July 5, 1884, on which Chinese of the exempt class are admitted to the United States, shall be indorsed by officers in charge by writing across the face thereof in red ink the fact of the admission and the date thereof.

RULE 39. Every Chinese laborer seeking the privilege of transit through the United States to foreign territory shall, as a condition precedent to being allowed such privilege, comply with the following requirements; and if such a person is found, in the judgment of the officer in charge at the port of arrival, to be seeking the privilege of transit with an ulterior purpose of gaining an unlawful access to the United States, he shall be refused permission to land:

(*a*) The applicant shall be required to produce to the officer in charge of the enforcement of the Chinese-exclusion laws at the port of arrival a prepaid through ticket across the whole territory of the United States, land or water, intended to be traversed (and to his alleged foreign destination according to the manifest of the vessel on which he arrives), and such other reasonable proof as may be required of him to satisfy the said officer that a bona fide transit only is intended, and that the applicant does not seek the foreign destination named by him with an ulterior purpose of thereby gaining access to the United States in violation of law; and such ticket and other evidence in writing presented by the applicant must be so stamped or marked and dated by the said officer or his deputy as to prevent their use a second time; but no such applicant shall be considered as intending in good faith to make such transit only if he has already, on same arrival, made application for and been denied admission to the United States.

(*b*) The applicant in such case, or some responsible person in his behalf, or the transportation company whose through ticket he holds, shall furnish to the said officer in charge a good and sufficient bond in the penal sum of $500, conditioned for applicant's continuous transit through and actual departure from the United States within a reasonable time, not exceeding in any instance twenty days from the date upon which said privilege is granted; but the said bond shall not be required of any such applicant who remains on shipboard for transit through the water territory of the United States, or who is transferred from one vessel to another vessel in a port of the United States for a similar transit, unless the vessel on which said applicant departs may touch at another port of the United States on the way to its foreign port or destination.

(*c*) The applicant in every such case shall furnish to said officer in charge, to be taken as directed by said officer, a photograph of himself in triplicate, and shall submit to the physical examination of his person required by the Bertillon system of identification.

RULE 40. The officer in charge of the enforcement of the Chinese-exclusion laws at the port of arrival shall prepare a descriptive list, to which one of the photographs required by rule 39 (*c*) shall be attached, bound in book form, for file in his office, containing, as to each Chinese laborer who is an applicant for the privilege of passing through the United States to foreign territory, the following information: Name, age, sex, last place of residence, and the data referred to therein by file number required for his identification. To the said descriptive list there shall be attached a dated and signed statement by the said officer in charge that applicant has complied with all the provisions of rule 39, and that, being assured of applicant's good faith, the privilege of transit under bond has been accorded him.

RULE 41. Two copies of the bound descriptive list, required by rule 40, shall be prepared by the officer in charge on detached blanks corresponding in form with the said bound descriptive list, to each of which shall be attached one of the photographs required by rule 39 (*c*), and upon both of said photographs, as well as on the one attached to said bound list, shall be stamped the seal of the said officer in charge, so placed as not to cover any part of the face. One of said copies shall be forwarded by the first mail after it is prepared to the officer in charge of the intended port of exit and the remaining one shall be given to the conductor of the train, or to the captain of the vessel, by which the Chinese laborer to whom they relate is carried, for delivery to the said officer at the port of exit.

RULE. 42. One of the copies described in rule 41 shall be retained by the officer in charge at the port of exit, for his files, and the other, after an indorsement has been made thereon, duly signed and dated, to the effect that the Chinese laborer named therein has been identified and has departed from the United States, shall be returned by mail to the officer by whom it was prepared, and its receipt by him, duly executed as herein required, shall be his authority for cancellation of the bond given on behalf of the Chinese laborer, as provided in rule 39*b*, to whom said descriptive list refers.

RULE 43. In view of the provisions of section 1 of the act approved April 29, 1902, it will be necessary for Chinese persons of the exempt classes who are citizens or subjects of the insular territory of the United States to comply with the terms of section 6 of the act approved July 5, 1884, and for this purpose the permission of such persons to go from one insular territory to another insular territory of the United States, or from such insular territory to the mainland territory of the United States, shall be granted by an officer designated for that purpose by the chief executives of said insular territories, respectively, and the duties imposed by section 6 of the act approved July 5, 1884, upon United States diplomatic and consular officers in foreign countries in relation to Chinese persons of the said classes shall be discharged by the officers in charge of the enforcement of the Chinese-exclusion acts at the ports, respectively, from which any members of such excepted classes intend to depart from any insular territory of the United States: *Provided, however,* That the privilege of transit shall be extended to members of the exempt classes and to Chinese persons other than laborers as provided in rule 42*a*.

F. H. LARNED,
Acting Commissioner-General.

Approved June 24, 1905.

V. H. METCALF, *Secretary.*

Circular No. 81 is in words and figures as follows:

ENFORCEMENT OF THE CHINESE-EXCLUSION LAWS—GENERAL INSTRUCTIONS.

DEPARTMENT OF COMMERCE AND LABOR,
OFFICE OF THE SECRETARY,
Washington, June 24, 1905.

To all officers charged with the enforcement of the Chinese-exclusion laws and all others whom it may concern:

The attention of all officers charged with the enforcement of the Chinese-exclusion laws is directed to Department Circular No. 80, issued under date of June 24, 1905. Under the provisions of the treaty and laws in relation to the exclusion of Chinese persons, officials of the Chinese Government, and teachers, students, travelers for curiosity or pleasure, merchants, and their lawful wives and minor children, when in possession of the certificate required by section 6 of the act of July 5, 1884, must be allowed to come and go of their own free will and accord, and must be accorded all the rights, privileges, and immunities and exemptions which are accorded to the citizens and subjects of the most favored nation.

Attention is also called to the fact that under rule 42*a* Chinese per-

sons, other than laborers, not supplied with the certificate provided for by section 6 of the act of July 5, 1884, may be permitted to pass through the United States in transit, upon producing to the officer in charge of the enforcement of the Chinese-exclusion laws at the port of arrival, such reasonable proof as may be required to satisfy him that a bona fide transit only is intended. Attention is especially called to the fact that Chinese persons, other than laborers, in possession of a section 6 certificate are not required to give bond, or furnish a photograph, or submit to the physical examination required by the Bertillon system of identification.

The purpose of the Chinese-exclusion laws is to prevent the immigration of Chinese laborers and not to restrict the freedom of movement of Chinese persons belonging to the exempt classes; and in determining whether Chinese persons are laborers or members of the exempt classes officers charged with the enforcement of the laws are cautioned to act with discretion. While laborers must be strictly excluded, the law must be enforced without harshness, and unnecessary inconvenience or annoyance must not be caused such persons as are entitled to enter the United States. Chinese persons whose appearance or situation clearly indicates that they do not belong to the class of laborers must be treated with the same consideration extended to members of any other nationality, and they are not under any circumstances to be subjected to unnecessary surveillance.

The Department holds that the purpose and intent of the Chinese-exclusion laws are to absolutely prevent the coming to the United States of laborers, skilled or unskilled. The certificate provided for under section 6 of the act of 1884, when viséed by the indorsement of the diplomatic representatives of the United States in the foreign country from which the certificate issues, or of the consular representatives of the United States at the port or place from which the person named in the certificate is about to depart, is, by said section 6, made prima facie evidence of the facts set forth therein. The diplomatic and consular representatives of the United States have, by direction of the President, been instructed, before viséeing any certificate, to strictly comply with all the requirements of that portion of section 6, which provides as follows:

"* * * and such diplomatic representative or consular representative, whose indorsement is so required, is hereby empowered, and it shall be his duty, before indorsing such certificate as aforesaid, to examine into the truth of the statements set forth in said certificate, and if he shall find, upon examination, that said or any of the statements contained therein are untrue, it shall be his duty to refuse to indorse the same."

You are therefore instructed to accept, as evidence of the right of the holders to land, certificates viséed by the American diplomatic or consular representatives when such certificates comply in all material respects with the requirements of the law, unless you have good reason to believe that any person presenting such a certificate is not the person to whom said certificate was issued or is not a member of any one of the exempt classes. Chinese persons of the exempt classes applying for admission to the United States properly certified are entitled to all the rights, privileges, immunities, and exemptions which are accorded to citizens and subjects of the most favored nation.

Any harshness in the administration of the Chinese-exclusion laws will not for one moment be tolerated, and any discourtesy shown Chinese persons, either laborers or of the exempt classes, by any of the officials of this Department will be cause for immediate dismissal of the offender from the service.

V. H. METCALF, *Secretary.*

I wish to call particular attention to that last sentence. It shows a remarkable tenderness for the Chinese, a tenderness which will not be greatly appreciated by American laborers whose places would be taken by cooly laborers. This, taken in connection with the statement of Mr. Sargent, Commissioner-General of Immigration, to the effect that the reason why the $660,000 appropriation to enforce the Chinese-exclusion law had not been exhausted was because the Secretary of Commerce and Labor had ordered a less stringent enforcement of those laws, demonstrates beyond all question that the Administration is in favor of modifying the Chinese-exclusion law, for the partial suspension of that law by the Administration is proof positive that the present law is too drastic to suit the powers that be.

The suspension in whole or in part by the executive department of the Government of a law properly placed upon the statute books is dangerous, unlawful, and unconstitutional. It is a practice that should not be tolerated for one moment.

The gentleman from Vermont [Mr. FOSTER] is one of the most prominent Republican Members of the House and has several times presided over this body. He has introduced a bill into this House which can have but one interpretation and that is that it will make it easier for Chinese to get into the country. At any rate, that is the interpretation placed upon it by the vast army of laborers in the country—and organized labor alone counts 3,000,000 souls upon its rolls. Mr. Samuel Gompers, President of the American Federation of Labor, has voiced the protest of that great organization against all attempts to modify the Chinese-exclusion law.

In two editorials the Federationist says:

[Editorial in American Federationist, March, 1906.]

'TIS THE COOLY IN THE WOOD PILE.

A few days ago we received a request from one of the New York newspapers, asking us to wire our opinion upon the boycott in China against American goods, and asking further: "To what is it due? Will relief in present restrictive laws tend to stop boycott? What is your opinion as to wisdom of changing the law in relation to its effect on American labor? Please add any general statement or suggestion pertaining to the matter as a whole."

Because of the general interest which labor has in this subject, we herewith give our answer:

The boycott on American goods in China is at present largely overstated, and is rather a movement against all foreigners than a movement especially against American goods and American action as regards our relations to China.

The American Federation of Labor sent, some time ago, a representative to the Orient with instruction to investigate into conditions, but with especial reference to the Philippines. The substance of the report from this representative was that there existed and was growing a strong resentment on the part of the cooly class against our exclusion laws; that there is an equally strong, if not stronger, objection to the policy of this country on the part of Europeans living in China and the Philippines, for the same reason. Especially did they resent any prohibition against the importation of Chinese into the Philippine Islands, and, further, that these latter interests seem to be working in close accord with the Asiatic Association in the United States for the purpose of producing the condition which is now giving so much apprehension to our exporters.

The stay-at-home sentiment of China is wearing away, and they are seeking outlets toward high-wage countries. They are encouraged in this by those in the high-wage countries who complain and desire to reduce the existing wage.

Changes in the existing exclusion laws would not have the slightest effect to stop the boycott. What they do need they will buy, and what products of our civilization they do not need they will not buy when living here, and therefore much less will they buy it in China. Nothing could be more disastrous than the changing of our exclusion laws, whether it be regarded as relating to labor solely, or to the maintenance of our occidental form of civilization.

The influx of Chinese coolies must inevitably reduce our present standard of wage, and the effect thereof will be felt in every relation of life. It will interfere with a number of marriages, the raising and schooling of children, and what results it may have upon the public peace would be easier imagined than described.

The flood may be checked now, in spite of the lack of unity in the white race. To check it after it has assumed greater proportions and industry and other phases of life have been profoundly influenced by a large influx would be next to impossible.

Races that do not blend destroy each other, and in the industrial struggle it is not the best, but the cheapest, that survive.

To relax in any manner our present none too effective Chinese-exclusion laws would, in my opinion, be to invite, not to check, the "yellow peril," so often spoken of as military, when, as a matter of fact, it is industrial.

I hope that the working people of this country and that the people of this country generally may be spared the result which would inevitabiy follow from any yielding to either the clamor of the Chinese, the pleadings of the exporters, or the puerile sentimentality of our "missionaries."

These views fully apply to the effort of those who would reverse the policy of our Government, as expressed by the existing Chinese-exclusion law, which, by the way, is none too effective in the manner it is now administered.

[Editorial in American Federationist, November, 1905.]

THE CHINESE MUST NOT COME.

There seems to be a well-defined policy of interested parties to induce Congress at its forthcoming session to let down the bars to the hordes of Chinese cooly laborers, so that they may come into the United States and its possessions. Some ministers of the gospel also are consciously or unconsciously giving their services to this venal project. If consciously, they appear to be more concerned in the welfare of the Chinese than of the American people. If unconsciously, they should study the facts and the history of Chinese immigration into the United States and other countries.

Of course there is reason for complaint against the indiscriminate immigration of peoples from other countries, and all realize that some better regulation and restriction are essential in regard to this, but such classes of immigration can not be considered on parallel lines when discussing the immigration of Chinese laborers.

The Chinese are unassimilable. Their civilization is entirely at variance with that of the American people. The Chinese and the Caucasians can not live, prosper, and progress side by side in the same country. The whole history of Chinese immigration to any country on the face of the globe in appreciable numbers has demonstrated this time and time again. They have dominated wherever they have entered, unless they have been driven out by the force of arms or excluded before their numbers were permitted to attain an overwhelming influence. Their domination is not because of higher attainments, but because of their subtlety, their lack of wants, interests, or desires; because they are cheap laborers and cheap merchants, and thus industrially and commercially freeze out their competitors, the American workmen and even the American business men. This has been demonstrated on the Pacific coast and in the Sandwich Islands, as well is in the Philippines.

American workingmen realize the great danger, not only to them and their interests, but to all the people of our country. Business men, students, and observers are in entire accord upon this question of the necessity of excluding Chinese laborers from coming to the United States.

Workmen are second to none in their regard for their fellow-men without consideration from whence they hail; but they would be less than human did they disregard the lessons of the past and the dangers which would threaten not only their standard of life, but every hope for the safety of themselves in the present and those who will come after them.

The economic, social, religious, and political life of our entire people is at stake in this question, and they will not tamely submit to a false sentimentality to please the few sordid profit mongers who, for a slight monetary gain, would endanger the future of our Republic. Aye, they will not submit even to the possibility of this backward movement, though it ruffles the sentimentality and vanity of a few ministers of the gospel who, by the way, might better devote their talents and energies to the effort for the uplift of the workers of our own country.

The so-called "Chinese boycott" of American products, the activity of the sugar planters of Hawaii, who have again evinced their love for the Chinese, the subtle tactics pursued in certain quarters by employers antagonistic to organized labor, the effusions of some preachers—all bear the stamp of a carefully concocted plan to "modify," with the hope of ultimately nullifying, the entire policy of the American people to keep the Chinese from coming to any place where our flag flies.

The American workmen, the American people, must be equally, if not more, alert than those who would, either for the greed of gain or a false sentimentality, undermine our civilization.

The bars must not and will not be let down for the Chinese.

That last sentence, "The bars must not and will not be let down for the Chinese," should become the settled policy of the whole American people.

I do not have very much pride of opinion in anything I do in this House or anywhere else, but I was active in getting the present Chinese-exclusion act put upon the statute books, and I intend to fight every inch of ground to change or break it up in any degree whatever. [Applause.]

APPENDIX A.

PETITION OF SEAMEN TO PRESIDENT OF UNITED STATES.

To the PRESIDENT:

The undersigned, the International Seamen's Union of America, respectfully brings to your attention the following conditions of fact and law and respectfully bases on such conditions the petition wherewith this paper concludes:

I. STATEMENT OF FACTS.

"Chinese persons" and "persons of Chinese descent," not being "officials, teachers, students, merchants, or travelers for curiosity or pleasure," and not being "Chinese laborers in transit across the territory of the United States in the course of their journey to or from other countries," and not being Chinese laborers once lawfully within territory of the United States and having return privileges, are habitually engaged in seaports of Asia for service as seamen aboard ships of American register, and habitually serve as seamen aboard such ships in their voyaging between the Orient and ports of the United States.

Consular officers of the United States, in dealing with vessels and crews of vessels, make no distinction between Chinese persons who are seamen and other persons who are seamen.

Officers of the Department of Commerce and Labor charged with the duty of executing the Chinese-exclusion laws of this country treat such Chinese seamen as lawfully aboard such ships.

II. STATEMENT OF LAW.

(a) The statutory law does not include seamen among the classes of Chinese persons expressly permitted to enter, or to reside within, the jurisdiction of the United States.

Section 2 of the Chinese-exclusion act of September 13, 1888, provides: "That Chinese officials, teachers, students, merchants, or travelers for curiosity or pleasure, shall be permitted to enter the United States," etc., in terms following the language of treaty.

It is needless, for the purpose of this petition, to cite the statutory provisions affecting Chinese persons in transit or the provisions affecting Chinese having "return" privilege.

Noninclusion of seamen among the classes mentioned in the quoted section of the act of 1888 is not altered by any express provision of that or any other statute or by any treaty.

(b) Judicial construction of the statutory laws has not enlarged, by doctrines of implication, by considerations as to treaties, or otherwise, the number, or extended the literal limits, of the classes of Chinese persons permitted by such statutory law to enter, or to reside within, the jurisdiction of the United States.

In the case of Ah Fawn (57 Fed. Rep., p. 591) he intent of China and the United States in that treaty definition of "exempted classes," which has been incorporated into section 2 of the act of 1888, was directly considered, with this result, that the court concluded the mention of classes who might come was designated to exclude from free immigration privileges all Chinese persons not officials, teachers, students, merchants, or travelers for curiosity or pleasure.

So in the case of Lee Ah Yin *v.* The United States (116 Fed. Rep., p. 614) the circuit court of appeals, ninth circuit, cites approvingly the decision in the case of Ah Fawn, and holds that by excluding "laborers" from free immigration privilege China and the United States in treaties and the United States in statutes intended to exclude "all immigration to the United States from China other than that of the privileged classes, who were, by the terms of the treaty, permitted to come for purposes of teaching, trade, travel, study, and curiosity."

(c) The Executive Departments of the Federal Government accept and act upon the strict construction principle laid down in the cited decisions, except as to seamen.

"The true theory of the Federal law," said the Attorney-General in an opinion rendered July 15, 1898, "is not that all Chinese persons may enter this country who are not forbidden, but that only those may enter who are expressly allowed."

Rules of the Department of Commerce and Labor are to the same effect, save that they expressly except seamen from Chinese "laborers" forbidden to reside within American territory. (See rules 1, 15, and 16 relating to the exclusion of Chinese.)

(d) A vessel of the United States is territory of the United States.

"An American vessel," said Justice Field, in the case of Ah Sing (13 Fed. Rep., p. 286), "is deemed to be a part of the territory of the State within which its home port is situated, and as such a part of the territory of the United States."

This is the doctrine of the Supreme Court of the United States in Crapo *v.* Kelly (83 U. S., p. 430) and in Wilson *v.* McNamee (102 U. S., p. 234). From the opinion of Justice Hunt, in the earlier case, this interesting statement is quoted:

"In the celebrated Trent case, occurring in 1862, Messrs. Mason and Slidell were removed from a British private vessel by Commodore Wilkes, of the *San Jacinto*, a public vessel of the United States. Great Britain insisted that the rights of a neutral vessel not only had been violated, for which she demanded apology, but she insisted that these persons should be replaced and returned on board a British ship. This was done, and they were actually placed on board a British vessel in or near the harbor of Boston. They were not British subjects, and their return could only have been demanded for the reason that they had been torn from British soil, and the sanctity of British soil, as represented by a British ship, had been violated. Citizenship or residence had no influence upon the question."

(e) When a Chinese person is aboard a vessel of the United States he is in territory of the United States.

A Chinese laborer lawfully within the United States, shipped in San Francisco as a seaman aboard a vessel of the United States. After a voyage to New South Wales he was denied the right to land in San Francisco, the claim being made that having gone with his ship to a foreign port he had brought himself within the prohibitions attaching under our exclusion laws to Chinese persons who had left the territory of this country. This denial of right was held unlawful in the case of Ah Sing (13 Fed. Rep., p. 286), the Federal circuit court ruling that the seaman, having remained with his ship, had not left American territory.

The same doctrine was applied in the subsequent case of Ah Tie and others (13 Fed. Rep., p. 292).

(f) A vessel of the United States being territory of the United States, and a Chinese person aboard a vessel of the United States being in territory of the United States, a Chinese person having no right to be in territory of the United States has no right to serve as a seaman aboard a vessel of the United States.

So far as your petitioner is informed, the doctrine thus stated has never been directly presented by American seamen to any Executive Department of the Federal Government, although efforts have been made to obtain Executive action in prevention of the employment of Chinese persons as seamen aboard American ships—Chinese persons—that is, not entitled to enter American territory. The only delay an inquirer into the law is likely to encounter in reaching acceptance of this doctrine will be due, your petitioner believes, to possible misconception of the scope and value of three judicial decisions, namely, In re Moncan (14 Fed. Rep., 44), In re Ah Kee (22 Fed. Rep., 519), and In re Jam (101 Fed. Rep., 989). However, the American-ship-is-American-territory principle was not invoked and was not considered in any of these cases, and the controlling principle of each of them (all may come who are not expressly forbidden) has been repudiated by the later and higher authority of Lee Ah Yin *v.* The United States (116 Fed. Rep., p. 614), affirming the principle of United States *v.* Ah Fawn (57 Fed. Rep., p. 591)—none may come who are not expressly allowed.

III. PRAYER.

In consideration of the facts and the law as hereinbefore stated, the undersigned prays application of the law to the facts, to the end that American seamen may be spared further injury by nonexecution of statutes to the protection whereof they believe themselves entitled in individual right and for national welfare.

It is urged upon your attention, moreover, that a construction of Chinese-exclusion statutes placing Chinese seamen outside such statutes must lead to the conclusion that Chinese persons who are by their calling as seamen saved from the prohibitions of the exclusion policy fall under the maritime law only—a conclusion involving (unless judge-made law be used) recognition of the right to quit work in our seaports and the right of unobstructed locomotion within American territory in the usual manner of seamen shifting from port to port and from oversea trade to coastwise, lake, or river trade.

Your petitioner can not believe, now that it brings to your notice the conditions as it sees them, that you will suffer any straining of the Chinese-exclusion laws as against the rights of American seamen and the national interest as represented by them, or any unauthorized abridgment of the navigation laws.

Wherefore, this prayer: That you direct the consular, immigration, and other executive officers of the United States to cooperate in enforcing the Chinese-exclusion laws in the matter of seamen.

INTERNATIONAL SEAMEN'S UNION OF AMERICA,
By WM. H. FRAZIER, *Secretary-Treasurer.*
EDWARD J. LIVERNASH, *Counsel.*

WASHINGTON, D. C., *April 30, 1904.*

APPENDIX B.

DIFFERENTIAL ON REFINED SUGAR.

On January 16, 1906, the following proceedings were had in the House:

Mr. CLARK of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

"Amend by inserting in line 6, page 2, after the word 'aforesaid,' the following: 'Except on Philippine sugar there shall, after the approval of this bill by the President of the United States, be levied, collected, and paid in lieu of the duties now provided by law on all sugar above No. 16 Dutch standard and on all sugar which has gone through a process of refining, imported into the United States 1 cent and eight hundred and twenty-five one-thousandths of 1 cent per pound."

Mr. PAYNE. Mr. Chairman, I make the point of order that the amendment is not germane.

Mr. CLARK of Missouri. I wish you would reserve it.

Mr. PAYNE. I will reserve it for five minutes in the interest of my friend.

Mr. CLARK of Missouri. Mr. Chairman, I have no desire whatever at this stage of the proceedings to inflict a speech upon this House, but I want to explain this amendment very briefly. The total differential on refined sugars imported into this country amounts to $5.30 a ton. This amendment cuts off $2.50 of that differential and leaves $2.80. If I had followed my own inclination I would have offered an amendment to cut it all off; but yielding to the judgment of some of my friends, I have offered the amendment which takes off $2.50 of that differential.

They say, and therefore I say, expressing their opinion, that taking half of it off no possible injury can be done to the producer of raw sugar in the United States, and still gives the American market to the American manufacturer. But it does reduce the price of refined sugar to the American consumer, and so that you can not have any doubt about it I will tell how. Last year we imported and consumed 2,967,160 tons. The reduction that this amendment gives would amount to $6,917,905 a year—that is, it cuts off that much annually of the enormous and unjust profits of the sugar trust and gives it to the 83,000,000 American consumers of refined sugar.

Now, gentlemen not only on the Democratic side, but the Republican side—and I would not say anything to hurt your feelings, because I like you all—time and time again on that side of the House and in Republican stump speeches and in Republican editorials we have heard the American sugar trust denounced in the severest terms that a man can pronounce in the English language. Now, you have an opportunity of proving your faith by your works, and if you vote against this amendment, forever and eternally hereafter hold your peace about the extortion of the sugar trust.

Now, one word more. For the seven hundredth time, I think, the gentleman from New York, chairman of the Committee on Ways and Means, has referred to a speech I made here in the spring of 1897. I want him to get that right, for what I said was classic [laughter], borrowed bodily from Sir Walter Scott's "Marmion." That was that I would destroy every custom-house in the United States "from turret to foundation stone." Now, I will tell you what I have to say about

that. One of my predecessors in this House, along back in the sixties, was a man of splendid genious—Col. George W. Anderson. He had boxed the political compass completely before he died. He had belonged to every political party that was organized in his time, except the Prohibitionist. [Laughter.] He was born a Democrat in Tennessee. He became a Whig, a Know-Nothing, and a Republican; served four years in this House as a Republican, and then, returning to the Democrats, was made a judge by appointment of a Democratic governor, and died finally in the odor of Democratic sanctity.

While he was running for Congress the second time he was opposed by a very able man, Col. F. Switzler, the Nestor of the editorial profession in Missouri. In the debate Colonel Switzler took an entire hour to prove that Anderson was inconsistent. When Anderson's time came, the only reply that he ever made to the charge of inconsistency was: "Fellow-citizens, consistency be damned!" [Laughter.] If I were not a church member I would repeat those words here to-day [laughter]; but being a church member, and being afraid of getting turned out of the church for swearing, I will put it this way: I had rather be inconsistent and be right than to be consistent and be wrong. [Applause.]

If the Republicans want it, I will prepare an illuminated edition of that speech that I made in the debate here in 1897 and present every one of them with a copy of it to frame and hang on his wall. [Laughter.]

Mr. PAYNE. I renew the point or order, Mr. Chairman.

Mr. CLARK of Missouri. Now, Mr. Chairman, on the point of order——

The CHAIRMAN. The Chair will hear the gentleman from Missouri on the point of order.

Mr. CLARK of Missouri. I want to say this: I am afraid, to use a very common western expression, that "the horse's eye is sot." [Laughter.] But I want to say this (of course the Chairman understands that that is just a figure of speech, for I hold him personally in high esteem): On the Cuban reciprocity bill, I think it was Mr. Morris of Minnesota offered this same amendment, word for word. The Chairman of the committee on that occasion [Mr. SHERMAN], a splendid presiding officer, ruled that it was not germane. Mr. Morris or somebody on that side—I think it was Mr. TAWNEY—appealed from the decision of the Chair. By a very large majority the House of Representatives, largely Republican in its character, overruled the Chair and established the precedent by a very large vote that this differential amendment is germane. I believe it is germane. The chief feature of this bill is sugar. We have all talked sugar for twelve days. It has been sugar, sugar all the time, and this amendment deals with sugar. Mr. Chairman, I take it, with all due respect to the present occupant of the chair, or any other man that ever occupied the chair or ever will occupy it, that the House of Representatives is greater than any chairman of it ever was or ever can be. That was the deliberate verdict of this House, and, as I said here the other day, it was a splendid spectacle, one of the finest that I have ever seen, when enough Republicans marched down that aisle and joined with us to march between the tellers and overthrow the Republican machine in this House. The Republican insurrectos on that occasion emancipated themselves from the shackles which bound them for one brief, fleeting, halcyon moment. They must have felt more like men, more like Americans, when the sun set that day than they ever felt on any other day of their lives.

Now, Mr. Chairman, that is the highest precedent, the most binding one, it seems to me, that can be found in the parliamentary history of this House, and on that I rest this case. [Applause on the Democratic side.]

Advice of Jackson and Lincoln—Foster Bond-Plate Order—Official Figures Show McKinley Tariff Produced a Deficit even Before Cleveland's Nomination.

SPEECH

OF

HON. JOHN W. GAINES,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, January 13, 1906.

The House being in the Committee of the Whole on the state of the Union and having under consideration the bill (H. R. 3) to amend an act entitled "An act temporarily to provide revenue for the Philippine Islands, and for other purposes," approved March 8, 1902—

Mr. GAINES of Tennessee said:

Mr. CHAIRMAN: We are trying to reduce the Dingley tariff rates for the benefit of the people of the Philippine Islands. Measured by the code of morals fixed by our forefathers, if not to Filipinos, and the height of wisdom. The Filipinos are not by the Constitution they made, such a reform is simple justice aliens. They are ruled by the laws of Congress, to which they must submit, are within the jurisdiction of the United States, and we do not wish their enmity in peace and certainly not in war.

But, Mr. Chairman, the proposition to reduce the Dingley rates to benefit the Filipino people has been so fully discussed that I shall now consider another question, to wit: Why stop tariff reform here? Why not reduce the Dingley rates for the benefit of the people of the United States? Are these rates sacred and tariff trusts sanctified? With the Republicans it seems they are.

I insist that we should reform the tariff for the benefit of our home people, that their local trade and their commerce with all nations may be enhanced.

Why should our own people longer remain the victims of this unjust and oppressive tariff and the monopolies and combinations produced and sheltered by it? Why, by reducing these rates relief can be brought to the people and these "captains of industry" made to obey the law, and thus aid in upholding proper standards of fair dealing and commercial integrity with our own people.

When, before the present Republican party, did any political party stand pat on a tariff rate or other tax? The old Whig party did not. Henry Clay and his associates did not favor a "perpetual" protective tariff, and he repeatedly said so. The country had become so prosperous under the revenue tariff of 1846 that all political parties were silent on the tariff question in 1856. Lincoln was no stand-patter. He approved several tariff bills that reduced the rate, and sanctioned other tariff bills which declared, literally, that they were to be "temporary." These raised the tariff rate.

The word "protection" was not "used" in either the platform of 1860 or 1864, on which Mr. Lincoln was elected President. The failure to use the word "protection" is referred to by Mr. Blaine in his Twenty Years in Congress, in these words:

> The convention [of June 7, 1860] therefore avoided the use of the word "protection," and was contented with the moderate declaration that "sound public policy" requires such an adjustment of import duties as will encourage the development of the industrial interests of the whole country.

The protectionists had enacted the high tariff of 1842, opposed the revenue tariff of 1846, which levied a rate of 30 per cent ad valorem, and yet these protectionists, with a few exceptions, voted for the tariff of 1857, which levied a 20 per cent ad valorem rate—the lowest tariff "since the war of 1812," says Mr. Blaine.

Mr. Blaine gives this reason for this surrender of "protection." He says:

> The principles embodied in the tariff of 1856 seemed for the time to be so entirely vindicated and approved that resistance to it ceased, not only among the people, but among the protective economists, and even among the manufacturers, to a large extent.
>
> So general was this acquiescence that in 1856 a protective tariff was not suggested, or even hinted, by any one of the three parties which presented Presidential candidates.

Mr. Blaine had already spoken of the prosperous condition of the people from 1846 to 1857, when the revenue act of 1846 was modified by the much lower tariff of 1857. Mr. Blaine said:

> Moreover, the tariff of 1846 was yielding an abundant revenue, and the business of the country was in a flourishing condition at the time his Administration [President Pierce's] was organized. Money became very abundant after the year 1849; large enterprises were undertaken, speculation was prevalent, and for a considerable period the prosperity of the country was general and apparently genuine.

But all parties in 1857 united, practically, to reduce the revenues by reducing the rate levied by the act of 1846, and enacted the tariff of 1857, about which Mr. Blaine says:

> TARIFF OF 1857 LOWEST SINCE THE WAR OF 1812.
>
> By this law [tariff 1857] the duties were placed lower than they had been at any time since the war of 1812.
>
> WELL RECEIVED BY THE PEOPLE.
>
> The act [tariff 1857] was well received by the people, and was, indeed, concurred in by a considerable portion of the Republican party.

The New England Senators, with few exceptions, joined with the Democrats in enacting the 20 per cent ad valorem tariff of 1857, thereby reducing, I repeat, the 30 per cent ad valorem rates of the revenue tariff of 1846, although in 1842 the protectionists had voted for the high or protective tariff of 1842.

Thus we find that the protectionists, three years before the election of Mr. Lincoln, had practically abandoned "protection"—high protective tariff—and omitted in 1860 to use the word "protection" in the Lincoln platform of that year.

Mr. Blaine and Mr. Edward Atkinson declared that the panic of 1857 was "financial." It was a "bank panic" and "ended in a few months," said Mr. Atkinson. But whether this panic was caused by bad banking laws, the demonetization of foreign silver coins in 1857, or by overtrading, or all three, or because the tariff of 1857 was too low to furnish the necessary revenue for the Government, and therefore too low to give that incidental protection which occurred under the higher revenue-only tariff of 1846, the indisputable fact remains that the Republicans in 1860, when Mr. Lincoln was nominated, "avoided" using the word "protection" in their platform; they failed to denounce the revenue tariff of 1846 or the very low tarff of 1857, which all parties had enacted that year.

Furthermore, when the civil war came and we needed increased revenues to prosecute that war, many of the acts raising the tariff rates literally declared these tariffs were to be "temporary," and they were approved by Mr. Lincoln as President. When the main war tariff, the act of 1864, was

being discussed, Mr. Morrell pledged Congress that it was to be "temporary," a "war measure." This pledge Mr. Morrell made, no doubt, for the reason that the people were wedded to the principles of a revenue tariff.

A few years after the war was concluded, General Grant was nominated for President on this tariff plank:

It is due to the labor of the nation that taxation should be equalized and reduced as rapidly as the national faith will permit.

Over the protest of the protectionists and manufacturers, who had grown to be financial giants under the high tariffs of the civil war, the tariff was reduced several times and in many ways, but to this day some of these civil-war rates and provisions exist to oppress the great mass of the American people.

The people have been unable from the civil war to this day to place themselves back under the happy influences of a revenue tariff, to which all three parties before and up to the civil war had become wedded, as Mr. Blaine, in effect, states.

Mr. Chairman, Andrew Jackson, when President, warned our people against high tariffs and prophesied this very condition would ensue that existed between 1864 and 1870, and that exists to-day, if we perpetuated this high-tariff system. Here are his words:

JACKSON'S PROPHECY AND ADVICE.

The corporations and wealthy individuals who are engaged in large manufacturing establishments desire a high tariff to increase their gains. Designing politicians will support it to conciliate their favor and to obtain the means of profuse expenditure for the purpose of purchasing influence in other quarters. * * * Do not allow yourselves, my fellow-citizens, to be misled on this subject. The Federal Government can not collect a surplus for such purposes without violating the principles of the Constitution and assuming power which has not been granted. It is, moreover, a system of injustice, and if persisted in will lead to corruption and must end in ruin. (Jackson's Farewell Address.)

Andrew Jackson was not alone, Mr. Chairman, in sounding the alarm against high tariffs. President Lincoln saw, in 1864, huge corporations and monopolies rising up to plague the people and undermine the Republic, and he spoke in plain language about it. I can not quote his words literally, but he said, substantially, that because of the war these great corporations had grown up and caused him to tremble for the safety of his country.

Ah, gentlemen, I can not believe that if this great and good man was living to-day he would stand amongst the "stand-patters." If he could rise from his grave this hour and read some Republican speeches of to-day, he would again tremble for the safety of his country, and demand a reduction of the tariff rate, not only to free the monopolized article, but to destroy the threatening influences and break up the unholy designs of the tariff barons, who are safely shielded behind the protective walls of the Dingley tariff.

Mr. CHARLES B. LANDIS. Will the gentleman state the address in which Lincoln used those words?

Mr. GAINES of Tennessee. I will do myself the honor to do so. It contains, substantially, the language I have used. It will take me some time, possibly, to find it; I have read it time and again. It will delay printing my speech to find it, but if it can be had I shall print it with my remarks.

I remember distinctly the letter was addressed to some gentleman living in either Indiana or Illinois—I think in Illinois. The public press stated a few years ago, as I remember, that he was still living and had this letter.

LINCOLN'S WORDS IN 1864.

After a laborious search, I am able to insert here as part of my remarks a copy of this Lincoln letter. It is dated November 21, 1864, and addressed to Mr. William S. Elkin, of Illinois, and, as published, reads as follows:

Yes, we may all congratulate ourselves that this cruel war is nearing its close. It has cost a vast amount of treasure and blood. The best blood of the flower of American youth has been freely offered upon our country's altar that the nation might live. It has been, indeed, a trying hour for the Republic, but I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country.

As a result of the war, corporations have been enthroned and an era of corruption in high places will follow, and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all the wealth is aggregated in a few hands and the Republic is destroyed. I feel at this moment more anxiety for the safety of my country than ever before, even in the midst of war. God grant that my suspicions may prove groundless.

This letter was published in George H. Shibley's book, entitled "The Money Question," at page 232, issued in 1896, with the following footnote:

The above was published in a collection of Lincoln's sayings, years and years ago, by Mr. Jesse Harper. Mr. Harper is still living, and is a respected citizen of Danville, Ill.

I am reliably informed that it was also published about 1900 in a pamphlet edited by Dr. H. S. Taylor and B. M. Fulwiler, of Chicago.

Mr. CHARLES B. LANDIS. It has been disputed that Lincoln ever used those words, and I will be very much gratified if the gentleman will point out either an address or letter in which these words were used by him.

Mr. GAINES of Tennessee. Does the gentleman doubt it?

Mr. CHARLES B. LANDIS. I do doubt it.

Mr. GAINES of Tennessee. That he said these great corporations had grown mighty——

Mr. CHARLES B. LANDIS. Oh, not at all; but that Lincoln had said the words you have quoted.

Mr. GAINES of Tennessee. Do you believe that he should have uttered them. [Laughter.]

Mr. CLARK of Missouri. If it will not interrupt the gentleman from Tennessee, I wish to ask him a question. I do not think he will have time to do it here, but I will ask him to put it in the RECORD, if it is not a fact that nearly every man and leader of the Republican party, on the original adoption of the Morrill bill and this high tariff during the civil war, did not always say that it was a temporary war measure?

Mr. GAINES of Tennessee. I have proof of that right here.

Mr. CLARK of Missouri. I want you to put it in the RECORD.

Mr. GAINES of Tennessee. I will read it now. I intended later to do so, and I thank my friend for now reminding me of it. How much time have I remaining, Mr. Chairman?

The CHAIRMAN. The time of the gentleman has expired.

Mr. GAINES of Tennessee. I should like to have a little more time.

Mr. HENRY of Texas. I ask that the gentleman may have such further time as he may require to conclude his remarks.

Mr. GAINES of Tennessee. I would like to have about fifteen minutes more.

The CHAIRMAN. What time does the gentleman wish?

Mr. HENRY of Texas. I ask that the gentleman's time may be extended fifteen minutes.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the time of the gentleman of Tennessee be extended fifteen minutes.

Mr. PAYNE. How much time does he ask?

The CHAIRMAN. Fifteen minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. GAINES of Tennessee. On page 192, volume 43, Congressional Globe, Appendix, on March 24 and 25, 1870, we find the speech of Senator ALLISON denouncing the existing war tariff, simultaneously urging tariff reform, and, amongst other things, he said:

At the close of his speech (on the tariff, 1864) Mr. Morrill made this pledge: "This is intended as a war measure, a temporary measure, and we must give it our support as such."

This was the main war tariff.

Mr. ALLISON continued thus:

Again, he [Mr. Morrill] speaks of it as "a war measure," imposed by the necessities of the Government, the scarcity of laborers, and the enormous direct taxation.

On page 193 Mr. ALLISON further said:

Both he [Mr. Stevens of Pennsylvania] and Mr. Morrill, subsequently chairman of the Committee on Ways and Means, declared the act of June 30, 1864, was a temporary measure—a war measure—and was not intended as a measure which should remain upon the statute book as a practical tariff in time of peace.

Mr. PAYNE. What year was it that the gentleman said Mr. ALLISON said that?

Mr. GAINES of Tennessee. March 24 and 25, 1870. It covers about nineteen columns in the Globe.

Mr. PAYNE. Does not the gentleman think that there has been a chance for the Senator to learn something during that time—thirty-six years?

Mr. GAINES of Tennessee. Yes; possibly by reading the speeches of the gentleman from New York. [Laughter.]

Mr. PAYNE. Exactly; or any other speech.

Mr. GAINES of Tennessee. No; I will not admit that he was as ignorant as that; on the contrary, the House showed its appreciation of his great speech by extending his time beyond the usual hour. He was permitted to continue his speech until concluded. He was then serving his third term in this House.

Mr. CHARLES B. LANDIS. How did he stand on the Dingley bill?

Mr. PAYNE. After the gentleman from Tennessee has been in Congress five years—and I will say it with all respect—he will know more than he does now.

Mr. GAINES of Tennessee. I am glad that my friend from

New York has been here long enough to accomplish as much as he does and has grown so wise as to make that suggestion.

Before the civil war there were very few millionaires. Business was conducted by partnerships. Now millionaires are common, and multimillionaires are growing more frequent, grasping, and "grinding." There is not a fair distribution of wealth, caused, in the main, by special legislation and high protective tariffs. Huge corporations, of almost inconceivable wealth and everlasting in life, have taken the place of the once thriving partnership, which death always dissolves. No one can stop and seriously consider the short time in which these immense fortunes are made, and the manner these corporations are conducted, both in their private business and in their connection with State and national legislation, and not feel the full force and the wisdom expressed in the words of Jackson and Lincoln, warning the people against this immense accumulation of wealth in the hands of a few.

I am not of a mournful disposition. I do not climb hills before I get to them, but I confess to you that I have pondered over the past and present and shudder for the future of my country if present conditions continue.

Ill fares the land, to hastening ills a prey,
Where wealth accumulates, and men decay.

PEOPLE PAYING THREE TARIFF RATES.

The Dingley tariff contains three rates, to wit, a revenue rate, a protective rate, and a third or reciprocity rate. The Republicans stand pat, and as a result the people are to-day paying all three of these rates. It was not intended when the Dingley tariff was framed that the people should pay this reciprocity rate. It was fixed in this tariff to be "traded off" and out of the law with such foreign countries as should make reciprocal trade arrangements with us.

With a Republican Congress and President no such arrangements have been made. Hence the people are forced to stand and pay all three of these rates. The time, two years I believe, has expired, in which these reciprocal arrangements could and had to be made under this law. Unless this reciprocity feature is reenacted, or the tariff is reduced, the people must continue to pay these three rates.

Last Congress the gentleman from Pennsylvania [Mr. DALZELL], as an excuse for not now making these reciprocal arrangements and getting rid of this reciprocity rate, stated that the two years' limitation had expired in which they could be made.

Mr. Chairman, the time should never pass for correcting an evil. We can now correct this wrong by reenacting and enforcing this reciprocity provision, which might, perhaps, increase our foreign trade, and thereby relieve the people of this one rate at all events. But the Republicans stand pat. They refuse to move. It was too near the fall election last Congress for the Republicans to tinker with the tariff, their leader said. If this is not sufficient excuse, and it is not, I can suggest a better one perhaps; that is, that the Republicans are too close to the tariff barons to deal fairly with the people in re-forming the tariff.

Mr. DALZELL. Mr. Chairman——

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Pennsylvania?

Mr. GAINES of Tennessee. Yes; with pleasure.

Mr. DALZELL. Of course my friend does not want to do me an injustice.

Mr. GAINES of Tennessee. Certainly not.

Mr. DALZELL. I did not say the time had passed for reciprocity. I said that the Republican doctrine of reciprocity was in noncompetitive articles. That is Blaine reciprocity and Dingley reciprocity, but it is not the reciprocity that is found in Democratic newspapers.

Mr. GAINES of Tennessee. Will my friend reenact the reciprocity features of the Dingley tariff by an amendment on this bill on Tuesday?

Mr. DALZELL. It takes me some time to make up my mind. I will tell you about that when the time comes.

Mr. GAINES of Tennessee. You see, when we try to get the Republicans to reduce the tariff by even reciprocity they "stand pat."

Mr. McKinley reported to this House the McKinley tariff bill. It was a tariff of and for exclusion. Business was more or less paralyzed. The revenues were reduced below the expenditures of the Government. Trusts and monopolies formed, and still exist. Profiting by the operations of this tariff, and by the failure of the reciprocity provisions incorporated in the Dingley tariff, amongst the very last public utterances of Mr. McKinley we find him saying:

The period of exclusiveness is passed. We must not repose in fancy security that we can forever sell everything and buy little or nothing.

I will insert more of what he said, as follows:

M'KINLEY'S ADVICE.

Our capacity to produce has developed so enormously and our products have so multiplied that the problem of more markets requires our urgent and immediate attention. Only a broad and enlightened policy will keep what we have. No other policy will get more. In these times of marvelous business energy and gain we ought to be looking to the future, strengthening the weak places in our industrial and commercial systems, that we may be ready for any storm or strain.

By sensible trade arrangements which will not interrupt our home production we shall extend the outlets for our increasing surplus. A system which provides a mutual exchange of commodities is manifestly essential to the continued and healthful growth of our export trade. We must not repose in fancied security that we can forever sell everything and buy little or nothing. If such a thing were possible, it would not be best for us or for those with whom we deal. We should take from our customers such of their products as we can use without harm to our industries and labor. Reciprocity is the natural outgrowth of our wonderful industrial development under the domestic policy now firmly established. What we produce beyond our domestic consumption must have a vent abroad. The excess must be relieved through a foreign outlet, and we should sell everywhere we can and buy wherever the buying will enlarge our sales and productions, and thereby make a greater demand for home labor.

The period of exclusiveness is past. The expansion of our trade and commerce is the pressing problem. Commercial wars are unprofitable. A policy of good will and friendly trade relations will prevent reprisals. Reciprocity treaties are in harmony with the spirit of the times; measures of retaliation are not. If perchance some of our tariffs are no longer needed for revenue or to encourage and protect our industries at home, why should they not be employed to extend and promote our markets abroad?

Mr. Chairman, McKinley has gone to his rich reward, and it seems that reciprocity has been buried under the auspices of its willing Republican friends. [Applause.]

Mr. Chairman, I dislike to take up so much time of the House, but I beg indulgence while I discuss another matter. It has been contended by Republicans since December 26, 1895, the Fifty-fourth Congress, as the RECORD shows, and from time to time since I entered the Fifty-fifth Congress, in 1897, that the reason why the Treasury, during the Harrison Administration, was short of revenues and a bond-plate order was issued March 20, 1893, by Secretary Charles Foster for the purpose of issuing bonds, was this: The people anticipated the election of Mr. Cleveland as President.

Some of the Republican leaders have gone so far as to deny that this bond-plate order was ever issued.

Mr. Chairman, I have repeatedly said in this House that on December 25, 1897, I read the original order with my own eyes. It was then on file at the Bureau of Engraving and Printing. I called for and received a certified copy of this order, as shown by the following correspondence:

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 25, 1897.

SIR: I desire to procure the original letter, or certified copy thereof, written by Mr. Secretary Foster February 20, 1893, addressed to the Chief of the Bureau of Engraving and Printing, of which the following purports to be a copy:

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., February 20, 1893.

SIR: You are hereby authorized and directed to prepare designs for the 3 per cent bonds provided in a Senate amendment to the sundry civil bill now pending. The denominations which should first receive attention are 100s and 1,000s of the coupon bonds and 100s, 1,000s, and 10,000s of the registered bonds. This authority is given in advance of the enactment in view of pressing contingencies, and you are directed to hasten the preparation of the designs and plates in every possible manner. I inclose a memorandum for your guidance in preparing the script for the body of the bond.

Respectfully, yours,
CHARLES FOSTER,
Secretary.

The CHIEF OF THE BUREAU OF ENGRAVING AND PRINTING.

The original is now in the hands of the director of the Bureau of Engraving and Printing, which I called for and read this morning. I desire to use the original letter or certified copy thereof this evening, and will be specially obliged if my request can be complied with at once.

Yours, very respectfully,
JNO. W. GAINES.

Hon. LYMAN J. GAGE,
Secretary of the Treasury.

The reply I received reads as follows:

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., March 25, 1897.

SIR: I have the honor to acknowledge the receipt of your letter of this date, requesting the original letter, or a certified copy thereof, written by Mr. Secretary Foster February 20, 1893, addressed to the Chief of the Bureau of Engraving and Printing, authorizing the preparation of certain plates. In compliance with said request I submit below a correct copy of the letter in question, also a copy of the text of the proposed bond.

[Copy of letter.]

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., February 20, 1893.

SIR: You are hereby authorized and directed to prepare designs for the 3 per cent bonds provided in a Senate amendment to the sundry civil bill now pending. The denominations which should first receive attention are 100s and 1,000s of the coupon bonds, and 100s, 1,000s, and 10,000s of the registered bonds. This authority is given in ad-

vance of the enactment, in view of pressing contingencies, and you are directed to hasten the preparation of the designs and plates in every possible manner. I inclose a memorandum for your guidance in preparing the script for the body of the bond.

Respectfully, yours,

(Signed) CHARLES FOSTER, *Secretary.*

The CHIEF OF THE BUREAU OF ENGRAVING AND PRINTING.

TEXT OF THE BOND.

WASHINGTON, *April 1, 1893.*

This bond is issued in accordance with the provisions of section —— of an act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1894, and for other purposes," approved March 3, 1893, and is redeemable at the pleasure of the United States after the 1st day of April, A. D. 1898, in coin of the standard value of the United States on said March 3, 1893, with interest in such coin from the day of the date hereof at the rate of 3 per cent per annum, payable semiannually on the 1st days of October and April in each year. The principal and interest are exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form, by or under State, municipal, or local authority.

Respectfully, yours, L. J. GAGE, *Secretary.*

Hon. JOHN W. GAINES,
House of Representatives.

Now, let me read to you what Secretary Foster says—and the gentleman from New York [Mr. PAYNE] was present when he made this statement before the Ways and Means Committee on February 25, 1893, just seven days before the end of the Harrison Administration and the beginning of the second Cleveland Administration. Mr. Foster was explaining to the House committee the condition of the Treasury. His statement is printed in House Report No. 2621, Fifty-second Congress, page 70, filed March 3, 1892:

Secretary FOSTER. Now, I want to say to you these estimates are based upon conditions existing prior to the late election. What effect the expectations of the public will have upon the revenues I do not undertake to estimate. For the first time, this month begins to show that effect. The revenues for the present month will be about what they were last year.

So that my friend from Ohio will see that Secretary Foster said that the estimates that he was then working on were estimates based upon the "conditions existing prior to the late election" (of November, 1892). And he says the condition of the Treasury now—that is, February 25, 1893—is about like it was a year ago; that is, in February, 1892. Then a year ago there must have been a deficit in the Treasury.

Mr. GROSVENOR. Will the gentleman allow me an interruption right there?

Mr. GAINES of Tennessee. Yes.

Mr. GROSVENOR. Ten days after the letter that the gentleman has read the Secretary of the Treasury—and it is in the same statement—turned over $106,000,000 of surplus to his successor.

Mr. CLARK of Missouri. Now, if the gentleman from Tennessee will permit, I would like to make a statement. That does not show anything. The thing that Secretary Foster was talking about was a prospective deficiency as based on the condition of the revenues at that time.

Mr. GROSVENOR. Mr. Chairman, the gentleman has thrashed this straw out a hundred times, and I will never, never make a general refutation to anybody who will introduce that subject for the purpose for which the gentleman from Tennessee is now using it. What the gentleman said was that the Treasury then at the date of that letter was about what it was the year before, and therefore, said the gentleman from Tennessee, there must have been a deficit. I pointed out to him that there was over $100,000,000 of surplus in the Treasury, and Mr. Foster's letter shows a receipt given to him by Mr. Secretary Carlisle, who succeeded him. As to the other question, it is a matter of not the slightest importance. It has been thrashed out on this floor so often that I had hoped it might never be heard of here again.

Mr. CLARK of Missouri. Well, it will be thrashed out again.

Mr. GAINES of Tennessee. Mr. Chairman, I have run a ground-hog "thrasher" in August many a day, and I do not mind "thrashing" out anything to get the truth of it.

Mr. PAYNE. Might I say a word? Two or three years ago I took pains to get the hearings and put in the RECORD just what Mr. Foster did say.

Mr. GAINES of Tennessee. Well, I am quoting his words.

Mr. PAYNE. You did not quote all of it. You take out a sentence here and there, but you do not give a fair report of what Mr. Foster did say. I did put that in the RECORD, and it is a complete answer.

Mr. GAINES of Tennessee. Mr. Chairman, the point I was trying to answer, made by the gentleman from Ohio——

Mr. GROSVENOR. Do I understand you to say that you are quoting the language of Secretary Foster——

Mr. GAINES of Tennessee. I am.

Mr. GROSVENOR. When you say there was a deficit in the Treasury?

Mr. GAINES of Tennessee. I did not say that he said that at all. Let me get through with what I started to read, and then I will put in the RECORD what Mr. Foster said, and other evidence on the subject. I will put in the RECORD the statement of the gentleman from New York [Mr. PAYNE].

Mr. GROSVENOR. You will not.

Mr. GAINES of Tennessee. I have not had the time yet. I did not hear what the gentleman said.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. CLARK of Missouri. Mr. Chairman, I ask unanimous consent that the gentleman from Tennessee have ten minutes more.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent that the time of the gentleman from Tennessee be extended for ten minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. GAINES of Tennessee. I thank the Chair and the committee.

Let us agree that what the gentleman from Ohio says is actually the fact—that is, that there was $100,000,000 or $106,000,000 paid over by Mr. Secretary Foster to his successor March 4, 1893. I want to say that in making up this balance in the Treasury—and I will tell you who alluded to it, the late lamented Mr. Turner, of Georgia, in a speech in this House December 26, 1895—the Treasury Department raked up all the "chicken-feed" money that could be found in the Treasury and also used a lot of "trust funds" to make up the balance which Mr. Foster reported to the Government of the United States that he had in the Treasury.

And not only that; Mr. Foster was in New York several times about this date, once on Abraham Lincoln's birthday—anyway he was there in New York about this time, trying to negotiate for money, with the ultimate result that the bond order was given, February 20, 1893; that the plates were made; and then Mr. Cleveland had the bag to hold by issuing bonds.

Mr. GROSVENOR. There never was a bond or a certificate or anything else issued under those plates. Why, I defy the gentleman to show it. Mr. Foster states that at the request of Mr. Carlisle he prepared the plates, but there never was any issue under that. Now, you have stated here in your place as a Member of Congress that Mr. Cleveland had to carry the load of those bonds.

Mr. GAINES of Tennessee. I repeat, Mr. Chairman, I say yet, these bond plates, ordered to be made by Mr. Foster, were not used, because Congress did not adopt the amendment authorizing their use, which amendment was introduced by Senator Sherman in the Senate, but Mr. Cleveland had to issue bonds under the law.

Mr. GROSVENOR. There was not a bond issued for three years afterwards. The gentleman is absolutely outside of every fact he is trying to get at.

Mr. GAINES of Tennessee. Why, Mr. Chairman, you can turn back to the RECORD and find those bonds were issued——

Mr. GROSVENOR. There was not a bond issued——

Mr. GAINES of Tennessee. I take issue with the gentleman.

Mr. GROSVENOR (continuing). Until 1894, and that was a bond and loan that Mr. Cleveland asked for and negotiated in London to get gold to float the condition of the country here. But after that bond—there never was a bond; there was a certificate of indebtedness of the Treasury, and not an impression of it was ever made and not a plate of it was ever finished.

Mr. GAINES of Tennessee. Now, Mr. Chairman, that was done because Congress refused to pass the bond-order legislation at that time.

Mr. GROSVENOR. No such bond issue was ever offered to Congress—no such proposition. My friend does not want to make such a mistake as that.

Mr. GAINES of Tennessee. I do not wish the gentleman to do all the talking on the proposition.

Mr. GROSVENOR. Well, the gentleman does not want to say that Congress refused to do anything.

Mr. GAINES of Tennessee. I say that it is a fact.

Mr. GROSVENOR. No such proposition was ever made.

Mr. GAINES of Tennessee. That is exactly what Congress did. Congress did not pass the Sherman proposition to issue the bonds, and under the existing law Mr. Cleveland did issue the bonds.

Mr. GROSVENOR. It never was introduced into Congress.

Mr. GAINES of Tennessee. What?

Mr. GROSVENOR. Mr. Sherman's proposition.

Mr. GAINES of Tennessee. It was introduced on some appropriation bill in the Senate.

Mr. GROSVENOR. That is probably true, and at the request of Mr. Cleveland, communicated to Mr. Carlisle, it was never acted upon.

Mr. GAINES of Tennessee. It was introduced in the United States Senate by Mr. Sherman and tacked on some bill over there, and it failed to pass the House. As a result of the refusal to pass that amendment, which was supposed to give us a chance to get money cheaper, but being defeated, Mr. Cleveland had to issue bonds, or did it, under existing law, to meet the conditions that threatened the Government at that time.

Mr. GROSVENOR. Mr. Cleveland issued the bonds under a new law that we fought about here for ten days in this House.

Mr. GAINES of Tennessee. Mr. Chairman, I will not take up more time.

Mr. CLARK of Missouri. That law was never passed.

Mr. GROSVENOR. It was passed.

Mr. CLARK of Missouri. Well, get the record and see.

Mr. GAINES of Tennessee. Now, here is what Mr. Foster said to the House committee, February 25, 1893, and this is what my friend from Missouri had in mind a while ago:

I think an annual increase of $50,000,000 would make the Treasury easy, and if I were going to manage it I would want to have it that way.

Does the gentleman hear that? Admit that what the gentleman from Ohio says is actually true, that there was even $106,000,000 left to be turned over to Secretary Carlisle by Secretary Foster, he, Mr. Foster, said:

I think an annual increase of $50,000,000 would make the Treasury easy, and if I were going to manage it I would want to have it that way.

That is what he said. I am quoting his words.

Now, gentlemen, I am going to insert in the RECORD the further language of Mr. Foster on this subject.

To better connect the statement of Mr. Secretary Foster, I will insert pertinent excerpts therefrom, copied from House Report 2621, Fifty-second Congress, second session, where his testimony and Commissioner Miller's and other officials can be read:

Secretary FOSTER. Now, I want to say to you these estimates are based upon conditions existing prior to the late election. What effect the expectations of the public will have upon the revenue, I do not undertake to estimate. For the first time this month (that is, February, 1893) begins to show that effect. The revenues for the present month (that is, February, 1893) will be about what they were last year.

The CHAIRMAN. How much below your estimate for this month?

Secretary FOSTER. I can not say, as we did not estimate by months; but I say for the first time since the revenues began to increase after the passage of the McKinley Act this month shows no increase, so I rather anticipate, perhaps, a falling off in customs, and I make this estimate on the basis of conditions existing at the time the report was made; that I would not undertake to estimate what the falling off in revenues would be in consequence of the expectations in the public minds that revenues were to be decreased. I assume that the business public would not buy so freely when they anticipated a reduction in duty as they would if there were no such thing in contemplation.

Mr. TURNER. Taking into consideration all these conditions which you anticipate, what, in your judgment, would be a fair conjecture of the condition of the Treasury at the end of the next fiscal year?

Secretary FOSTER. I should say the next fiscal year would show a deficit.

Mr. TURNER. Can you give an approximate estimate, according to all the data accessible to you?

Secretary FOSTER. I will only say this, that if I was to have the management of the Treasury, I should insist upon an increase of revenue to the extent of $50,000,000.

Mr. TURNER. In order to meet those conditions which you anticipate?

Secretary FOSTER. Not only those conditions, but the gold conditions as well.

Mr. WILSON. Did I understand you to express a general opinion a while ago that in addition to the present sources of revenue that the revenues of the Treasury Department ought to be advanced $50,000,000 more a year?

Secretary FOSTER. Yes, sir.

Mr. MCMILLIN. Would you make that for one year or a permanent increase of revenue?

Secretary FOSTER. As things are going now, a permanent revenue, for two reasons. I would increase the gold reserve at least $25,000,000 if I had the money to do it with.

Mr. TURNER. But your answer just now seemed to contemplate an annual increase.

Secretary FOSTER. I think an annual increase of $50,000,000 would make the Treasury easy, and if I were going to manage it I would want to have it.

I will show from the very words of Mr. Foster that he delayed the payment of certain demands.

PAYMENTS DELAYED BY SECRETARY FOSTER.

Mr. FOSTER. Possibly, some time, when five or six or seven millions of requisitions would come in in a day, for which he would have to pay gold if all were paid in a day, I probably have suggested to Mr. MacLennan that he had better wait a day or two until we got in a better shape, because I did not want to pay out gold for current liabilities. I knew just as well as I knew I was living that this thing was going to come, and I wanted to be as strong as I possibly could. So you see in my report I made as good a statement as I could of our condition and asked you to give the Treasury more money so this gold reserve might be increased. Now, since $21,000,000 of this gold has gone and I have but $4,000,000 left, I can pay any requisitions which come in promptly, because I have currency in the place of gold.

SECRETARY FOSTER SAYS HE WOULD "PADDLE ALONG."

I merely make this explanation so you may know what the situation has been. This has not been for the want of money. Once in a while, when large requisitions come in and pile up together, I do not want to pay them, because I would have to pay them in gold, and so we would paddle along for a day or two, when some one would say the Treasury was bankrupt and all that sort of thing. Now, I commenced with $25,000,000 in gold in the Treasury, when gold exports commenced in December; $35,000,000 have gone out of the country, and we have $4,000,000 left. Now more gold is going, I have no doubt. If the Secretary could have had $50,000,000 more money on the 1st of December, he could have increased the gold to $150,000,000 and kept his reserve at about $125,000,000, but not having the money he could not do it.

As further evidence that Mr. Foster "paddled along" in paying public obligations, I quote from a letter of Mr. Secretary Carlisle to the Hon. W. R. Morrison, October 14, 1894, as follows:

It is true, as you suggest, that for some time previous to the close of the last Administration warrants upon requisitions were held up to a very considerable extent in order to avoid a reduction of the balance on hand, but the amount of these requisitions can not now be ascertained without devoting a great deal of time and investigation on the subject. I think, however, they amount to several million dollars.

It is unquestionably true that Mr. Foster to keep his gold reserve intact exchanged "legal tenders" for gold, so that he could tide over and put the onus of bond issuing, if necessary, on Mr. Carlisle. On this point I refer to the New York papers of February, 1893, and content myself by quoting from one high-standing gold authority, Hon. Horace White, of New York City, who, in his book on Money and Banking, says:

Gold exports were resumed in 1892. In November of that year the gold in the Treasury had fallen from $185,000,000 (in August, 1890) to $124,000,000, and was still declining. Secretary Foster was much depressed. When he came to New York to speak at a dinner at the Chamber of Commerce, he said, among other things, that the Government intended to maintain gold payments, even if it became necessary to sell Government bonds for the purpose. This was an admission on his part that gold payments could not be continued without resorting to extraordinary means. Probably Mr. Foster made this speech in order to test public sentiment and to find out whether he would be sustained in issuing Government bonds in time of peace. There had been no increase of the bonded debt since the close of the civil war, and some persons in high places denied that there was any legal authority to issue new bonds. Apparently Mr. Foster was satisfied by the applause with which his announced purpose was received by his hearers and by the press, for shortly afterwards he issued an order to the Bureau of Engraving and Printing to prepare new bonds. This order was dated February 20, 1893, and Mr. Foster was to go out of office on the 4th of March. Naturally he preferred to put upon his successor the onus of issuing the bond if he could.

So he came to New York and persuaded the banks to give him a few millions of gold in exchange for legal-tender notes, enough to carry him along until the 4th of March. This enabled him to glide out of office, leaving the $100,000,000 redemption fund intact, but with only $982,410 gold in excess of that sum and with the penumbra of a deficit in full view.

Mr. Foster also abandoned the system used by Secretary Manning in classifying the funds in the Treasury and in counting and striking his "available balance." Mr. Manning counted as "unavailable cash" subsidiary silver coin (limited tender), Federal deposits in national banks, and the national-bank redemption fund, a fund paid into and held by him in trust for the purpose of redeeming the notes of banks "failed," in "liquidation" and "reducing circulation."

The Sherman silver act of July 14, 1890, "covered" into the Treasury as "miscellaneous receipts" this bank redemption fund, amounting to $54,207,975.75. On September 30, 1890, it had increased to $56,005,865.25, and on February 28, 1893, it had decreased to $22,272,061.25. These notes since July, 1890, have been "redeemed from the general cash in the Treasury."

Mr. Foster adopted a system of his own by which he counted this subsidiary silver coin (amounting then to about $9,000,000), the bank deposits (reduced then to about $10,000,000), as "actual" available cash, and also treated and used this redemption fund, covered in the Treasury as "miscellaneous receipts," as "actual" available cash.

Messrs. McMillin, Wilson, and Turner, of the House committee, February 25, 1893, asked Mr. Foster for a "statement" showing the condition of the Treasury under the Manning and Foster systems and what funds Mr. Foster treated as "available cash" which Mr. Manning treated as "unavailable cash."

To this inquiry the following replies came:

Mr. MILLER. The $54,000,000 for the redemption of national-bank funds is the only fund that has gone into the Treasury. * * * That was a separate account. That was not in the cash (under Manning system).

Mr. Miller was Commissioner of Internal Revenue at that time and a witness.

Mr. WILSON. Then, in regard to the subsidiary coin, there has been some change made.

Secretary FOSTER. We count that as money. It has gotten down to $9,000,000, or will when the appropriation for the Columbian Exposition is made.

Mr. MCMILLIN. I would like to have that included also.

Secretary FOSTER. We will show you how it is carried on previous statements, and how it is on the one I adopted.

Mr. WILSON. What items in the Treasury are now covered in as available cash which were hitherto set apart as not under that heading?

Secretary FOSTER. All right. Under Mr. Manning the bank deposits were not considered as money in the Treasury. Subsidiary coin was not, but if I eliminated those items now there would be a showing of deficit.

Mr. PAYNE. I understand you are keeping books according to law, and that this statement they use to make was not according to law.

Secretary FOSTER. I do not want to say that; I do not want to say that in regard to my predecessors.

Mr. WILSON. As I understand, Mr. Payne, according to law means when I get pretty hard pressed I can take trust funds and pass them to my account, and take some of my obligations I have got on hand for sale and count them as sold.

Secretary FOSTER. It is not that; but the changes in the keeping of the statement are simply this: There are two items, one of money in banks and the other subsidiary coin, which were eliminated from the cash, and were not called cash. Now, I got to a point where if I did not include them in my cash my statement would show a deficit. I thought they were cash. I can take every dollar out of these banks in a minute, and I believe I have reduced the deposit to about $10,000,000.

Mr. Foster then stated that in his time he had had $23,000,000 subsidiary coin, but now it was down to $9,000,000, "perhaps just a fair working balance," and that his predecessors had handled from $25,000,000 to $30,000,000 of subsidiary coin, and that—

The real significance of these statements is what the Secretary at the time being wants to show. My predecessors had a great deal of money, and they wanted to show it was as small as possible. I had little money and wanted to show it was as large as possible, and I did just exactly what Brother Springer would have done if you had been in my place. There was no juggling of figures at all.

Mr. PAYNE. You went to a point where if you continued the old statement it would have showed a deficit, but you still had plenty of money in the Treasury for all needs?

Secretary FOSTER. Certainly.

Mr. PAYNE. The Treasury was easy at that time?

Secretary FOSTER. Yes. The difficulty with the Treasury has not been any lack of money. It ought to have more money, but by the act of July 14, 1890 (Sherman silver act), you have created an additional liability upon the gold in the Treasury of $130,000,000. That $100,000,000 was set apart as a redemption fund for $346,000,000, and it is now nearly $500,000,000.

Mr. MCMILLIN. Four hundred and seventy-six million dollars, I believe.

Secretary FOSTER. Now, there is a demand for this gold from abroad, and the truth is we owe the money and it is natural. My best information is that our securities are not coming back here; we are shipping securities abroad, but when you take into account the shrinkage of the balance of trade as shown upon the custom-house books compared with former years, and then deduct from that the balance of what our people spend abroad, say $120,000,000; $30,000,000 balance freight; $25,000,000 undervaluations (and I think it is probable we are cheated that much); $12,000,000 servant-girl funds sent abroad (the balance on postal money orders is $12,000,000 against us); the Chinese send what money they have back to China; most of the money of the Italians goes back; 75,000 American citizens go abroad every year in the steerage who spend more or less money; all of these elements must be considered in determining the balance of trade. When you take all these elements into account you will find we owe money abroad.

Seeing these things, the Secretary felt that we should keep all the money we could in gold. About $25,000,000 was the limit he could pay for. He had no trouble to get gold if he had the money to get it with. Possibly, sometimes, when five or six or seven millions of requisitions would come in in a day, for which he would have to pay gold if all were paid in a day, I probably have suggested to Mr. MacLennan that he had better wait a day or two until we got in a better shape, because I did not want to pay out gold for current liabilities. I knew just as well as I was living that this thing was going to come, and I wanted to be as strong as I possibly could. So you see in my report I made as good a statement as I could of our condition, and asked you to give the Treasury more money, so this gold reserve might be increased. Now, since $21,000,000 of this gold has gone and I have but $4,000,000 left, I can pay any requisitions which come in promptly, because I have currency in the place of gold.

I merely make this explanation so you may know what the situation has been. This has not been for the want of money. Once in a while, when large requisitions come in and pile up together, I do not want to pay them, because I would have to pay them in gold, and so we would paddle along for a day or two, when some one would say the Treasury was bankrupt and all that sort of thing. Now, I commenced with $25,000,000 in gold in the Treasury when gold exports commenced in December; $35,000,000 have gone out of the country and we have $4,000,000 left. Now, more gold is going, I have no doubt. If the Secretary could have had $50,000,000 more money on the 1st of December he could have increased the gold to $150,000,000 and kept his reserve at about $125,000,000, but not having the money, he could not do it.

The Sherman silver act of July 14, 1890, and the McKinley tariff act of October 6, 1890, were both Republican measures and became law over the protest of the Democrats. If either or both these laws caused trouble in the Treasury, or produced the panic of 1893–94, the Republican party is chargeable direct therewith. We remember well that President Harrison commended in strong terms the happy influences of the Sherman silver act as having produced great prosperity, and time out of mind the McKinley Act has been commended by the Republicans.

But it is my purpose to get at the condition of the Treasury under the McKinley tariff act. We have already shown by Mr. Foster's own words that if he did not treat this limited-tender silver coin and these bank deposits, amounting then, he said, to about $19,000,000, as "actual" available cash, there would "be a showing of deficit," or, to quote his words:

If I eliminated those items *now*, there would be a showing of deficit.

If we also eliminate at that date, February 25, 1893, the national-bank redemption fund, amounting to over $22,000,000, of course there would have been a greater "showing of deficit."

The Treasury Department informs me in writing that—

The available balance in the Treasury on March 7, 1893, when Secretary Carlisle assumed control, was $124,756,887.79 (including the gold reserve of $100,000,000).

On December 26, 1895, there was incorporated in the RECORD, at page 320, a speech of Secretary Foster, delivered at Senecaville, Ohio, that year, in which Mr. Foster says:

On the 4th of March, 1893, we turned over the new Administration nearly $125,000,000 in cash, more than $100,000,000 of which was gold.

So the Treasury statement to me and Mr. Foster's statement are practically the same as to the available cash he left with Mr. Carlisle.

Mr. Carlisle, in his report to Congress December 19, 1893, in part says:

The amount of free gold in the Treasury on the 7th day of March, 1893, was $100,982,410, or $982,410 in excess of the lawful reserve.

Now, if we subtract from this $124,000,000 or $125,000,000 the gold reserve ($100,000,000) and the $19,000,000 of bank deposits and silver coin and the $22,000,000 of national-bank trust funds, which was paid in previous to the Sherman Act for the benefit of the national banks, and them only, we have the actual available cash in the Treasury February or March, 1893, more than wiped completely out and the national Treasury begging.

I shall now show from indisputable official data, issued by the Treasury Department, that the McKinley tariff act produced monthly deficits as early as the second month, November, 1890, of its existence, and continued to do so, with interruptions, down to and including May, 1892, the last month, all *before* Cleveland was nominated, in June, 1892, the total deficits for this time, a period of twenty months, being $9,022,685.11.

I shall also show that these deficits continued *after* Mr. Cleveland was nominated, in June, 1892. From June, 1892, to February, 1893, both inclusive, nine months, the McKinley tariff act run behind in revenues $4,298,471.13, while for the forty-seven months, or during the whole life of the McKinley tariff act, the expenditures of the Government were $80,014,998.70 in excess of receipts.

I have before me the "Comparative Statement of Receipts and Expenditures of the United States," issued monthly by the Treasury Department, showing the receipts and expenditures of the Government during the entire operation of the McKinley tariff act. The McKinley tariff act took effect October 6, 1890. Mr. Cleveland was nominated for the Presidency June 21, 1892. I have carefully tabulated these official figures, with the following result:

Operations of the Treasury Department under the McKinley tariff act before Cleveland's nomination, June 21, 1892 (June, 1892, excluded).

	Month.	Receipts.	Expenditures.
1	October, 1890 [a]	$40,215,894.20	$38,096,664.24
2	November, 1890	28,986,124.71	[b] 42,570,022.40
3	December, 1890	31,370,039.87	21,888,550.00
4	January, 1891	37,055,973.25	23,981,309.07
5	February, 1891	29,611,318.02	[b] 31,725,009.86
6	March, 1891	29,418,330.46	[b] 31,502,941.60
7	April, 1891	26,045,831.64	25,331,194.06
8	May, 1891	27,417,425.94	[b] 29,772,085.15
9	June, 1891	31,721,749.51	[b] 35,902,971.96
10	July, 1891	34,300,344.68	[b] 39,719,651.13
11	August, 1891	28,884,851.10	20,738,020.95
12	September, 1891	28,001,247.25	23,934,801.19
13	October, 1891	28,560,552.21	[b] 31,872,268.02
14	November, 1891	26,917,162.72	[b] 27,911,002.30
15	December, 1891	27,932,985.73	[b] 31,821,889.67
16	January, 1892	30,542,728.60	[b] 35,663,522.60
17	February, 1892	30,755,904.57	27,482,059.13
18	March, 1892	30,048,806.53	28,989,589.79
19	April, 1892	27,388,354.04	[b] 31,098,076.97
20	May, 1892	28,498,798.45	[b] 32,755,478.39
	Total	603,674,423.37	612,697,108.48
			603,674,423.37
	Total deficit for 20 months		9,022,685.11

[a] McKinley Act took effect October 6, 1890.
[b] Deficit.

Operations of the Treasury Department under the McKinley tariff act after the nomination of Cleveland, June, 1892, down to his inauguration (June, 1892, included, and March, 1893, excluded).

	Month.	Receipts.	Expenditures.
1	June, 1892[a]	$31,219,117.98	$28,940,634.25
2	July, 1892	34,571,356.25	[b]37,249,407.04
3	August, 1892	34,032,928.53	32,080,779.53
4	September, 1892	31,841,278.66	28,917,798.74
5	October, 1892	31,836,138.21	[b]31,881,250.18
6	November, 1892	28,794,645.38	[b]30,748,882.78
7	December, 1892	33,212,911.10	[b]34,277,123.58
8	January, 1893	35,209,972.31	[b]39,253,381.68
9	February, 1893[c]	30,009,892.23	[b]31,677,454.00
	Total	290,728,240.65	295,026,711.78
			290,728,240.65
	Total deficit for 9 months		4,298,471.13

[a] Cleveland nominated June 21, 1892.
[b] Deficit.
[c] Cleveland inaugurated March 4, 1893.

Operation of the Treasury Department under the McKinley tariff act of October 6, 1890, repealed by the Wilson tariff act of August 28, 1894, covering a period of forty-seven months.

	Month.	Receipts.	Expenditures.
1	October, 1890[a]	$40,215,894.29	$38,036,664.24
2	November, 1890	28,966,124.71	[b]42,570,022.40
3	December, 1890	31,370,039.87	21,888,550.00
4	January, 1891	37,055,973.25	23,981,300.07
5	February, 1891	29,611,318.02	[b]31,725,069.86
6	March, 1891	29,418,330.46	[b]31,502,941.60
7	April, 1891	26,045,831.64	25,331,194.06
8	May, 1891	27,417,425.94	[b]29,772,085.15
9	June, 1891	31,721,749.51	[b]35,002,971.96
10	July, 1891	34,300,244.68	[b]39,719,651.13
11	August, 1891	28,884,851.10	20,738,020.95
12	September, 1891	28,001,247.25	23,134,801.19
13	October, 1891	28,540,552.21	[b]31,872,368.02
14	November, 1891	26,917,162.72	[b]27,911,002.20
15	December, 1891	27,432,585.73	[b]31,821,859.67
16	January, 1892	30,542,728.60	[b]35,663,522.60
17	February, 1892	30,755,104.57	27,482,059.13
18	March, 1892	30,048,106.33	28,939,589.79
19	April, 1892	27,388,354.04	[b]31,038,076.97
20	May, 1892	28,498,738.45	[b]32,755,478.39
	Total	603,674,423.37	612,697,108.48
21	June, 1892[c]	31,219,117.98	28,940,634.25
22	July, 1892	34,571,356.25	[b]37,249,407.04
23	August, 1892	34,032,928.53	32,080,779.53
24	September, 1892	31,841,278.66	28,917,798.74
25	October, 1892	31,836,138.21	[b]31,881,250.18
26	November, 1892[d]	28,794,645.38	[b]30,748,882.78
27	December, 1892	33,212,911.10	[b]34,277,123.58
28	January, 1893	35,209,972.31	[b]39,253,381.68
29	February, 1893	30,009,892.23	[b]31,677,454.00
	Total	290,728,240.65	295,026,711.78
30	March, 1893[e]	$34,437,844.99	32,372,997.73
31	April, 1893	28,599,942.29	[b]33,771,365.73
32	May, 1893	30,971,497.64	30,872,502.79
33	June, 1893	30,983,921.85	29,206,451.50
34	July, 1893	30,905,776.19	[b]39,675,888.60
35	August, 1893	23,890,885.30	[b]33,305,228.48
36	September, 1893	24,582,756.10	[b]25,478,010.17
37	October, 1893	24,553,394.97	[b]29,588,792.34
38	November, 1893	23,979,400.81	[b]31,302,026.41
39	December, 1893	22,312,027.00	[b]30,058,260.51
40	January, 1894	24,082,738.97	[b]31,309,669.59
41	February, 1894	22,269,269.46	[b]26,725,373.84
42	March, 1894	24,842,797.79	[b]31,137,569.24
43	April, 1894	22,692,364.26	[b]32,072,836.42
44	May, 1894	23,096,994.39	[b]29,779,140.92
45	June, 1894	26,485,925.72	25,557,021.23
46	July, 1894	34,809,339.75	[b]36,648,582.53
47	August, 1894[f]	40,417,605.81	31,656,636.85
	Total	1,388,287,167.24	1,468,302,165.94
			1,388,287,167.24
	Total deficit for 47 months		80,014,998.70

[a] McKinley Act took effect October 6, 1890.
[b] Deficit.
[c] Cleveland nominated June 21, 1892.
[d] Cleveland elected.
[e] Cleveland inaugurated March 4, 1893.
[f] Wilson tariff took effect August 28, 1894.

For the purpose of allowing everyone who desires to make his own calculation I shall append hereto the official tables upon which I have based the tabulation above given. If these figures of the Treasury Department set out in this appendix are correct, then my tabulation is correct. It has been verified and reverified.

Upon the testimony given by Mr. Foster, Mr. Miller, and others, the House committee made its report.

The majority report of the House committee, filed March 3, 1893, on the condition of the Treasury, was, in part, in these words:

MAJORITY REPORT.

DEFICIT OF $30,000,000 TO $40,000,000.

Under the most careful estimates that can now be made it is apparent that at the end of the ensuing fiscal year there will be a deficit amounting to from $30,000,000 to $40,000,000. In these calculations no account whatever has been taken of the requirements of the sinking fund.

In the statement above referred to—No. 6—it will be seen that the requirements of the sinking fund were not met during the past fiscal year and no effort has been made to meet such requirements during the current fiscal year, nor can any of its requirements be observed during the ensuing fiscal year unless there is a large increase in the revenues of the Government.

According to Secretary Foster's statement, above referred to, the balance due the sinking fund June 30, 1892, was $11,307,825.36 and the requirements of the sinking fund for the fiscal year 1893 were estimated at $48,693,000, showing that at the end of the fiscal year 1893 there will be due the sinking fund $60,000,000. The statement further shows that at the end of the next fiscal year there will be due the sinking fund a little over $100,000,000.

It appears from these statements that the Secretary of the Treasury has charged against the sinking fund the amount of $16,000,000 paid for the redemption of national-bank notes which have gone into liquidation.

Your committee do not concede that the redemption of national-bank notes is a payment of a national debt as contemplated by the sinking-fund law, and that such payments for the redemption of national-bank notes under the act of July 14, 1890, should be made out of the current receipts in the Treasury. If this amount is added to the requirements of the sinking fund, it will show $116,000,000 due that fund on the 30th of June, 1894.

Secretary Foster stated that in his opinion the annual receipts of the Government should be at once increased. He also stated that in his opinion there would be a deficit at the end of the fiscal year 1894, and said that if he had the management of the Treasury in the future he should insist upon an increase of the annual revenue to the extent of $50,000,000. This increase, he stated, should be made to meet the conditions to which reference has been made in this report, and also for the purpose of increasing to the extent of $25,000,000 the gold-reserve fund of $100,000,000, which increase he earnestly recommended. (H. R. Report, 52d Cong., 2d sess., 2651.)

The majority members of the committee were Messrs. Springer, McMillin, Turner of Georgia, Wilson of West Virginia, and others.

The minority report was, in part, on this question, as follows:

On the basis of the statement of the Secretary of the Treasury it would seem that the amount of the *surplus* or *deficiency* would be *very small.* * * *

Then the tariff act of 1890 reduced the revenue from customs $50,000,000 annually. (House Report, supra.)

This report was signed by the gentleman from New York [Mr. PAYNE], the gentleman from Pennsylvania [Mr. DALZELL], the late Speaker Reed, and the present Senators HOPKINS and BURROWS, then Members of the House.

Certain it is, from the language of the minority here quoted, they at least anticipated "a very small surplus" or "a very small deficiency" at no distant day.

Mr. Secretary Foster, in his speech at Senecaville, Ohio, states this about the bond plates which he ordered:

The plates for these bonds had been prepared while Mr. Sherman was Secretary, and quite a supply was already printed and ready for final execution.

Here are his words at length:

Now, as to the charge that the Secretary was so straitened for cash that he ordered plates for bonds to be prepared. I believed at that time that the gold reserve of $100,000,000 should be maintained, and I would have sold bonds had this reserve fallen below the $100,000,000 to replenish it.

CONFERRED WITH CAPITALIST—FEARED TROUBLE IN HIS TIME.

I believe now that much of the trouble that came to the Treasury could have been avoided if Secretary Carlisle had promptly announced that he would maintain his gold reserve at all hazards.

I feared such a contingency might occur in my time. To fortify *myself* and be ready for such an emergency, I conferred with capitalists and found I could sell bonds for gold on a basis of 3 per cent interest. The only bonds available were those authorized by the resumption act of 1875, none bearing interest at a less rate than 4 per cent.

BOND PLATES PREPARED WHILE MR. SHERMAN WAS SECRETARY.

The plates for these bonds had been prepared while Mr. Sherman was Secretary, and quite a supply was already printed and ready for final execution. Mr. Carlisle, I suppose, used this class for delivery to the purchasers of bonds sold by him.

About the 20th of March, 1893, the Senate, with the approval of Mr. Carlisle, who was then known to be the incoming Secretary, passed an amendment to an appropriation bill authorizing the issue of a 3 per cent bond by practically unanimous vote.

EMERGENCY AT HAND; HENCE BOND-PLATE ORDER.

I had no doubt then that the House would concur, and that a 3 per cent short-term bond would be authorized. The emergency was such that I thought it prudent to direct the preparation of plates for these anticipated new 3 per cent bonds, which were in all respects a better bond than those authorized, for the use of myself or any successor at the earliest date possible.

The House failed to concur in the Senate amendment, providing for a 3 per cent bond, and on the 4th of March I revoked an order for the preparation of plates; the plates were not completed and were not used by Secretary Carlisle.

It is very plain from this statement that Mr. Foster feared that a "contingency" might occur in "my [his] time," compelling him to sell bonds to "fortify" the gold reserve, and he says he conferred with "capitalists" on the subject. It is also plain that these plates were in part actually made and "prepared while Mr. Sherman was Secretary;" that a "supply of these bonds were already printed and all ready for final execution," and that the House defeated the proposed legislation under which these bonds were to be issued.

Mr. Foster further said in his speech:

The fact that my only purpose in contemplating a sale of bonds was to maintain the gold reserve at more than $100,000,000, and not in any sense to provide for current expenses, must be borne in mind.

Mr. Foster, I have shown, had only this silver coin, the bank deposits, and the national bank redemption fund, with which to pay "current expenses."

Mr. Foster continued:

The revenues were ample, and continued so until July 1, three months after President Cleveland's Administration began.

I have shown the "revenues were not ample," and that there was a deficit of over $13,000,000 that had accrued from October, 1890 (when the McKinley Act took effect), up to and excluding March 1, 1893, three days before Mr. Cleveland was inaugurated.

Mr. Foster continued:

As the gold reserve did not fall below $100,000,000 during the Administration of President Harrison (and did not for six weeks afterwards), there was no occasion for selling bonds, even upon the rigid views I held and still hold as to my duty. There was no occasion for the intervention of the President to prevent the sale of bonds.

Mr. Foster could not have been fully advised as to the actual condition of the Treasury during his administration, or he would not have claimed that the Treasury was "easy" on February 25, 1893, or that he had plenty of money to meet all Federal obligations at all times, which he contended was the case. The official figures which I have shown clearly demonstrate he was mistaken.

On December 26, 1895, a Republican House (54th Cong. Rep.) reported and passed a tariff bill, about which the gentleman from New York [Mr. PAYNE], in part, said:

We propose that the income shall equal the outgrowth. Now it lacks nearly $40,000,000 or $50,000,000 per annum. We offer it to you in the shape of your own tariff bill, with a horizontal increase of 15 per cent. (CONGRESSIONAL RECORD, December 25, 1895.)

In discussing this bill Mr. PAYNE further said:

The gentleman from Georgia [Mr. Crisp] says that there was a deficiency of revenue under the tariff act of 1890. Mr. Speaker, the tariff act of 1890 produced sufficient revenue to meet the expenses of the Government down to the 1st day of November, 1892.

The first deficit under the McKinley Act was in *November, 1890*, the second month of its existence.

From November, 1890, to November, 1892, both inclusive, there were FIFTEEN monthly deficits.

The gentleman from New York [Mr. PAYNE] further said:

In November, 1892, there was a deficiency in the revenue. There was not quite enough to meet the expenditures. But the gentleman from Georgia seems to have forgotten what also occurred in 1892, when the Democracy was placed in power in the White House and at both ends of the Capitol, and their destructive hand was cast like a shadow over every industry in this broad land of ours. [Applause on the Republican side.] It was that shadow that brought a deficiency of revenue in November, 1892.

It was followed by their acquisition of power on the inauguration of their President on March, 1893, and by the events which followed, until the Wilson-Gorman bill was written upon the statute book; and from the very day and hour that you placed that bill upon the statute book there has been a deficiency in the revenue of the Government. (CONGRESSIONAL RECORD, 54th Cong., 1st sess., Thursday, December 26, 1895, vol. 28, p. 331.)

We have heard this defense of the McKinley Act in and out of the House for years.

The table alone, above given, clearly answers this speech and contention and shows the statements the distinguished gentleman made are not based on the official facts.

Whether it was the proper policy for either Mr. Foster or Mr. Carlisle to issue bonds, the fact remains, as I have shown from this table, that the McKinley tariff act produced deficiencies in the revenues throughout its existence. This tariff act was based upon the policy of excluding imports by prohibitory rates, and thereby reduced the revenue, and for the purpose also of building up a home market for ourselves and a market for no one else. It is profitable, therefore, for Congress and the people to study closely the history of this tariff in framing our future customs law.

In conclusion, I shall insert in the RECORD an extract from a letter addressed by Secretary Carlisle to the Hon. W. R. Morrison, October 2, 1894, as it appears in the speech of the Hon. Benton McMillin in the RECORD of June 9, 1896:

* * * * * * *

The records of the Department show that during the fiscal year 1888 the receipts were $111,341,273 in excess of the expenditures; during 1889, $87,761,080; during 1890, $85,040,271; during 1891, the year after the passage of the McKinley bill, $26,838,541; in 1892, $9,914,453; in 1893, $2,341,674; and in the year 1894, during the whole of which the McKinley bill was in full force, the expenditures exceeded the receipts to the amount of $69,803,260, notwithstanding the expenditures were $16,752,676 less than in the preceding year. You will thus observe that the receipts in excess of expenditures diminished annually under the operation of the McKinley tariff act, until finally a large deficiency was the result.

The statement of Mr. McKinley that I had used the gold reserve to meet the daily expenses of the Government is incorrect.

I inclose herewith a printed document containing the statements made by me before the Committee on the Judiciary of the House of Representatives in January last, from which it will be seen (see page 13) that United States notes and Treasury notes of 1890 had been redeemed in gold to the amount of $58,641,866 in excess of the reserve fund raised by the sale of bonds. These redemptions were made with gold received from all the various sources of revenue. The total amount of United States notes and Treasury notes of 1890 redeemed in gold up to the present date is $249,808,494, while the whole reserve fund provided for by law was $100,000,000 in the first instance, and the proceeds of the bonds sold in February last, amounting to $58,560,000. Instead, therefore, of using the lawful reserve to defray ordinary expenditures, we have in fact largely used the ordinary receipts for the purpose of redemption, the purpose for which the reserve itself was intended.

On the 1st day of March, 1889, the beginning of President Harrison's Administration, the funds in the Treasury actually available, exclusive of the $100,000,000 reserve, were as follows:

Agency account	$64,502,445.02
Net balance in the Treasury	165,846,471.10
Total	230,348,916.12

On the 1st day of March, 1893, the beginning of the present Administration, the funds in the Treasury actually available, exclusive of the $100,000,000 reserve, were as follows:

Agency account	$38,365,832.90
Net balance in the Treasury	24,084,742.28
Total	$62,450,575.18

This statement is made in accordance with the form now in use, and exhibits the actual condition of the Treasury at the dates mentioned, including all available assets of every kind.

In addition to the ordinary receipts of the Government, there was, as you know, covered into the Treasury during the Administration of President Harrison, $54,207,975.75, which was held in trust as a fund for the redemption of national bank notes. This proceeding was authorized by the act of July 14, 1890, commonly known as the "Sherman Act."

The item denominated "agency account" is that portion of the miscellaneous cash in the Treasury held for certain liabilities appearing on the books of the Treasury but not represented by demand certificates or Treasury notes of 1890 outstanding.

From the 1st day of March, 1885, the beginning of Mr. Cleveland's first Administration, to March 1, 1889, the public debt was reduced $341,448,449.20, and from March 1, 1889, to March 1, 1893, the reduction was $236,527,666.10.

It is true, as you suggest, that for some time previous to the close of the last Administration, warrants upon requisitions were held up to a very considerable extent in order to avoid a reduction of the balance on hand, but the amount of these requisitions can not now be ascertained without devoting a great deal of time and investigation on the subject. I think, however, they amount to several million dollars.

Mr. MCMILLIN: It will thus be seen that the deficiency created under the McKinley law amounted the last year of its operation to $69,803,260; that in the first year of its operation whilst it yielded about $26,000,000 surplus, it dwindled to less than $10,000,000 the second year, and to less than $2,500,000 the third year, and that for the four years of its operation it fell beneath the requirements of the Government over $30,000,000. The deficiency from it the last year of its operation was more than $69,000,000, notwithstanding the fact that there was a saving that year under Democratic economy of over $16,000,000 as compared with the preceding year. And for the last three years of its operations its aggregate deficiencies were over $57,000,000.

I may add here that although this bond-plate order was dated February 20, 1893, yet Mr. Secretary Foster did not allude to its existence when and although he testified at great length before the committee February 25, 1893.

I may add further that Mr. Secretary Carlisle has recently twice said to me in the city of Washington that he did not know anything whatever of the issuance or the existence of this bond-plate order until some time after he had been acting as Secretary of the Treasury.

In his report to Congress, December 3, 1904, Mr. Carlisle states that he issued fifty million of bonds under the act of 1875. Bond legislation proposed in the Senate February, 1893, passed that body and was defeated in the House. Mr. Cleveland's Administration came in March 4, 1893, and had "the bag to hold," for the reasons I have stated.

Now, Mr. Chairman, I shall not take up the time of the House further. I wish to thank the committee and to have permission to round out my speech and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. GAINES of Tennessee. I thank the House very much for its indulgence this morning. [Applause on the Democratic side.]

APPENDIX.

OFFICE OF THE SECRETARY OF THE TREASURY,
DIVISION OF WARRANTS, ESTIMATES, AND APPROPRIATIONS.

Comparative statement of the receipts and expenditures of the United States.

RECEIPTS.

Source.	Fiscal year ending June 30, 1891.		Fiscal year ending June 30, 1890.	
	Month of October, 1890.	Since July 1, 1890.	Month of October, 1889.	Since July 1, 1889.
Customs	$24,934,114.05	$91,238,718.97	$18,815,040.44	$77,085,886.99
Internal revenue	12,840,250.54	49,730,301.59	11,625,469.47	46,356,007.00
National-bank deposit fund	909,720.00	6,715,260.00		
Miscellaneous	1,447,809.70	6,942,864.18	2,052,097.73	8,587,110.32
Total	40,215,894.29	154,627,144.74	32,492,607.64	132,029,004.31

EXPENDITURES.

Civil and miscellaneous	$11,542,447.85	$34,821,918.79	$7,441,648.22	$28,885,318.54
War	4,965,747.09	16,130,568.89	5,619,672.91	20,381,730.42
Navy	2,471,248.56	7,730,667.82	1,773,257.01	7,250,632.93
Indians	1,300,236.18	2,286,799.74	644,737.20	2,669,613.23
Pensions	11,097,474.24	44,837,292.67	4,694,404.96	40,182,032.33
National-bank fund, redemption account	2,202,728.00	6,099,928.50		
Interest	4,312,965.93	25,826,454.52	6,132,839.69	16,426,296.86
Premium	143,215.49	8,451,635.39	2,291,537.72	8,600,925.49
Total	38,036,664.24	146,159,266.32	28,598,797.71	124,396,539.80

RECEIPTS.

Source.	Fiscal year ending June 30, 1891.		Fiscal year ending June 30, 1890.	
	Month of November, 1890.	Since July 1, 1890.	Month of November, 1889.	Since July 1, 1889.
Customs	$15,227,641.28	$108,132,662.42	$16,614,488.22	$93,704,225.71
Internal revenue	11,322,047.31	62,078,611.99	11,159,069.42	57,517,783.85
National-bank deposit fund	307,450.00	7,022,710.00		
Miscellaneous	2,128,986.12	9,735,658.74	2,943,409.49	12,080,893.90
Total	28,986,124.71	186,972,643.15	30,716,967.14	163,302,903.46

EXPENDITURES.

Civil and miscellaneous	$8,771,335.85	$43,593,454.64	$5,792,589.33	$34,677,907.87
War	3,691,803.26	19,822,462.15	3,245,263.04	23,626,983.46
Navy	2,321,959.98	10,052,627.80	1,824,053.59	9,074,696.52
Indians	626,524.92	2,913,324.06	757,857.27	3,427,470.50
Pensions	21,511,161.49	66,348,454.16	10,775,646.23	50,957,678.56
National-bank fund, redemption account	2,109,684.50	8,236,063.00		
Interest	3,537,462.40	29,363,916.92	774,069.74	17,200,366.60
Premium		8,451,635.39	2,165,298.90	10,766,224.59
Total	42,570,022.40	188,781,938.72	25,334,758.10	149,731,297.90

RECEIPTS.

Source.	Fiscal year ending June 30, 1891.		Fiscal year ending June 30, 1890.	
	Month of December, 1890.	Since July 1, 1890.	Month of December, 1889.	Since July 1, 1889.
Customs	$16,104,533.09	$124,240,195.51	$15,925,107.32	$109,029,393.03
Internal revenue	12,944,173.21	75,022,785.20	11,003,848.84	68,521,632.69
National-bank deposit fund	203,875.00	7,286,585.00		
Miscellaneous	2,057,458.57	11,793,117.31	2,666,548.33	14,747,442.23
Total	31,370,039.87	218,342,683.02	29,595,504.49	192,898,407.95

EXPENDITURES.

Civil and miscellaneous	$8,362,245.00	$51,955,699.64	$5,577,342.65	$40,255,250.52
War	3,669,026.16	23,491,488.31	3,453,129.55	27,080,113.01
Navy	2,163,809.76	12,216,437.56	1,646,953.92	10,721,630.44
Indians	723,860.55	3,637,185.21	729,555.35	4,157,025.85
Pensions	2,653,515.94	69,001,970.10	10,322,384.73	61,280,063.29
National-bank fund, redemption account	1,935,467.00	10,171,530.00		
Interest	470,621.74	29,834,538.66	1,461,654.34	18,662,320.94
Premium	1,910,203.85	10,361,639.24	2,692,958.86	13,459,183.25
Total	21,888,550.00	210,670,488.72	25,883,979.40	175,615,277.30

Comparative statement of the receipts and expenditures of the United States—Continued.

RECEIPTS.

Source.	Fiscal year ending June 30, 1891.		Fiscal year ending June 30, 1890.	
	Month of January, 1891.	Since July 1, 1890.	Month of January, 1890.	Since July 1, 1889.
Customs	$23,897,953.06	$148,138,148.57	$21,743,305.83	$131,372,638.86
Internal revenue	11,253,867 80	86,276,649.00	10,034,688.12	78,556,320.81
National-bank deposit fund	245,740.00	7,532,325.00		
Miscellaneous	1,658,416.39	13,451,533.70	2,883,164.12	17,630,606.35
Total	37,055,973.25	255,398,656.27	34,661,158.07	227,559,566.02

EXPENDITURES.

Civil and miscellaneous	$9,747,655.06	$61,539,224.21	$10,144,634.31	$50,342,238.07
War	4,450,327.50	27,938,204.23	2,859,904.57	29,939,476.30
Navy	2,386,295.82	14,693,307.59	2,193,746.33	12,911,435.51
Indians	963,699.10	4,602,007.62	480,596.99	4,637,201.64
Pensions	1,089,570.56	70,081,657.48	2,176,772.75	63,455,718.33
National-bank fund, redemption account	2,461,760.00	12,633,290.00		
Interest	2,851,428.66	32,675,449.15	7,916,800.22	26,577,996.45
Premium	39,581.37	10,401,220.61	2,086,335.17	15,545,518.42
Total	23,981,309.07	234,474,420.89	27,858,790.64	203,409,634.72

RECEIPTS.

Source.	Fiscal year ending June 30, 1891.		Fiscal year ending June 30, 1890.	
	February.	Since July 1.	February.	Since July 1.
Customs	$18,994,189.72	$166,310,626.68	$18,966,505.50	$150,810,622.46
Internal revenue	9,489,629.57	96,478,005.79	10,114,960.02	89,317,749.81
National-bank deposit fund	338,145.00	7,870,470.00		
Miscellaneous	789,353.73	15,184,875.47	1,784,752.72	20,326,554.31
Total	29,611,318.02	285,843,977.94	30,866,218.24	260,454,926.58

EXPENDITURES.

Civil and miscellaneous	$6,180,218.75	$67,719,442.96	$5,069,175.49	$55,411,463.56
War	2,841,729.84	30,779,934.07	2,433,849.08	32,373,325.38
Navy	2,085,497.66	16,689,865.25	2,058,749.89	14,970,185.40
Indians	667,113.25	5,269,120.87	383,093.11	5,000,294.75
Pensions	17,310,563.08	87,392,220.56	13,660,764.86	77,116,483.19
National-bank fund, redemption account	2,279,340.50	14,912,630.50		
Interest	359,546.78	33,034,995.93	518,161.88	27,096,158.33
Premium		10,401,220.61	956,910.16	16,502,428.58
Total	31,725,009.86	266,199,430.75	25,060,704.47	228,470,339.19

RECEIPTS.

Source.	Fiscal year ending June 30, 1891.		Fiscal year ending June 30, 1890.	
	March.	Since July 1.	March.	Since July 1.
Customs	$15,373,522.85	$181,684,149.53	$20,800,765.82	$171,611,388.28
Internal revenue	11,206,723.41	107,684,729.20	11,281,856.81	100,599,606.62
National-bank deposit fund	390,875.00	8,261,345.00		
Miscellaneous	2,447,209.20	17,632,084.67	2,695,558.26	23,022,112.57
Total	29,418,330.46	315,262,308.40	34,778,180.89	295,233,107.47

EXPENDITURES.

Civil and miscellaneous	$11,647,638.63	$79,367,081.59	$5,467,121.75	$60,878,585.31
War	3,707,580.96	34,487,515.03	2,494,189.73	34,867,515.11
Navy	2,353,469.26	19,043,334.51	1,682,097.65	16,652,283.05
Indians	1,120,046.85	6,389,167.72	702,517.40	5,702,812.15
Pensions	9,514,578.24	96,906,798.80	3,854,915.10	80,971,398.29
National-bank fund, redemption account	2,440,204.50	17,352,835.00		
Interest	719,423.16	33,754,419.09	1,339,299.79	28,435,458.12
Premium		10,401,220.61	2,094,595.85	18,597,024.43
Total	31,502,941.60	297,702,372.35	17,634,737.27	246,105,076.46

Comparative statement of the receipts and expenditures of the United States—Continued.

RECEIPTS.

Source.	Fiscal year ending June 30, 1891.		Fiscal year ending June 30, 1890.	
	Month of April, 1891.	Since July 1, 1890.	Month of April, 1890.	Since July 1, 1889.
Customs	$12,591,990.18	$194,276,139.71	$19,907,466.60	$191,518,854.88
Internal revenue	11,420,455.56	119,105,184.76	12,105,148.93	112,704,755.55
National-bank deposit fund	580,000.00	9,145,695.00		
Miscellaneous	1,452,785.90	19,084,870.57	2,004,425.87	25,020,535.44
Total	26,045,831.64	341,611,890.04	34,017,041.40	329,253,145.87

EXPENDITURES.

Civil and miscellaneous	$14,036,844.80	$93,411,402.34	$7,915,315.97	$68,682,311.17
War	4,263,705.37	38,749,792.29	3,698,774.81	38,561,739.43
Navy	2,690,898.94	21,140,905.08	1,921,907.74	18,569,830.54
Indians	771,451.98	7,159,347.71	422,425.48	6,126,559.34
Pensions	264,191.83	97,174,355.28	9,614,610.49	90,583,210.88
National-bank fund, redemption account	1,540,686.53	19,196,671.50		
Interest	2,554,951.31	36,091,822.31	5,660,971.85	34,096,372.44
Premium		10,401,220.61	673,917.46	19,270,941.83
Total	25,331,194.36	323,325,517.12	29,907,923.70	275,890,965.63

RECEIPTS.

Source.	Fiscal year ending June 30, 1891.		Fiscal year ending June 30, 1891.	
	Month of May, 1891.	Since July 1, 1891.	Month of May, 1891.	Since July 1, 1891.
Customs	$11,995,141.77	$205,731,913.13	$17,084,408.09	$208,017,572.19
Internal revenue	12,232,704.18	132,216,628.99	16,392,161.43	129,500,127.32
National-bank deposit fund	128,120.00	8,970,065.00		
Miscellaneous	3,061,459.99	22,890,360.17	2,002,987.24	27,019,388.57
Total	27,417,425.94	369,808,967.29	35,443,551.76	364,537,088.08

EXPENDITURES.

Civil and miscellaneous	$10,132,414.20	$103,543,816.54	$7,527,685.39	$76,209,996.56
War	5,389,418.48	44,139,210.77	3,721,044.60	42,282,784.03
Navy	2,751,875.11	23,892,780.19	1,712,839.73	20,282,670.27
Indians	580,914.84	7,740,262.55	352,742.86	6,479,302.20
Pensions	8,519,169.53	105,693,524.81	12,594,516.40	103,177,727.28
National-bank fund, redemption account	2,081,758.50	20,974,680.00		
Interest	316,534.49	36,408,356.80	513,584.17	34,609,956.61
Premium		10,401,220.61	811,561.96	20,082,503.79
Total	29,772,085.15	352,793,852.27	27,233,975.11	303,124,940.74

RECEIPTS.

Source.	Fiscal year ending June 30, 1891.		Fiscal year ending June 30, 1890.	
	Month of June, 1891.	Since July 1, 1890.	Month of June, 1890.	Since July 1, 1889.
Customs	$14,168,745.47	$219,900,658.60	$21,641,827.53	$229,668,584.57
Internal revenue	13,726,652.43	145,943,281.42	12,641,939.21	142,606,705.81
National-bank deposit fund	89,900.00	9,059,965.00		
Miscellaneous	3,736,451.61	26,626,811.78	3,263,125.11	30,805,692.25
Total	31,721,749.51	401,530,716.80	37,546,891.85	403,080,982.63

EXPENDITURES.

Civil and miscellaneous	$8,595,523.30	$110,139,339.84	$5,171,942.64	$81,403,256.49
War	4,583,906.08	48,723,116.85	2,274,377.02	44,582,838.08
Navy	2,222,318.26	26,115,098.45	1,687,837.56	22,006,206.24
Indians	785,925.69	8,526,188.24	231,667.94	6,708,046.67
Pensions	18,721,585.56	124,415,110.37	8,761,096.22	106,936,855.07
National-bank fund, redemption account	2,274,868.50	23,249,548.50		
Interest	718,844.57	37,127,201.37	1,513,861.94	36,099,284.05
Premium		10,401,220.61	221,720.27	20,304,224.06
Total	35,902,971.96	388,696,824.23	14,863,103.59	318,040,710.66

Comparative statement of the receipts and expenditures of the United States—Continued.

RECEIPTS.

Source.	Fiscal year ending June 30, 1892.		Fiscal year ending June 30, 1891.	
	Month of July, 1891.	Since July 1, 1890.	Month of July, 1890.	Since July 1, 1889.
Customs	$15,468,153.91	$219,900,658.60	$23,953,386.00	$229,668,584.57
Internal revenue	14,551,867.92	145,943,281.42	11,717,499.64	142,606,705.81
National-bank deposit fund	142,100.00	9,059,965.00	303,750.00	
Miscellaneous	4,138,222.85	26,626,811.78	2,328,580.80	30,805,692.25
Total	34,300,344.68	401,530,716.80	38,303,216.44	403,080,982.63

EXPENDITURES.

Civil and miscellaneous	$12,321,541.13	$110,139,339.84	$8,025,059.44	$81,403,256.49
War	5,734,022.38	48,723,116.85	4,185,165.12	44,582,838.08
Navy	2,233,716.07	26,115,098.45	2,126,919.06	22,006,206.24
Indians	1,245,829.81	8,526,188.24	262,074.98	6,708,046.67
Pensions	13,663,326.43	124,415,110.37	14,863,492.39	106,936,855.07
National-bank fund, redemption account	1,698,617.00	23,249,548.50	303,750.00	
Interest	2,822,598.31	37,127,201.37	7,232,108.73	36,099,284.05
Premium		10,401,220.61	2,054,379.44	20,304,224.06
Total	39,719,651.13	388,696,824.23	39,052,949.16	318,040,710.66

RECEIPTS.

Source.	Fiscal year ending June 30, 1892.		Fiscal year ending June 30, 1891.	
	Month of August, 1891.	Since July 1, 1891.	Month of August, 1890.	Since July 1, 1890.
Customs	$15,164,674.61	$30,632,828.52	$20,315,879.96	$44,269,265.96
Internal revenue	12,501,829.02	27,053,696.94	12,557,852.20	24,275,351.84
National-bank deposit fund	110,870.00	252,970.00	2,700,540.00	3,004,290.00
Miscellaneous	1,107,477.47	5,245,700.32	1,033,177.30	3,361,758.10
Total	28,884,851.10	63,185,195.78	36,607,449.46	74,910,665.90

EXPENDITURES.

Civil and miscellaneous	$6,861,616.19	$19,205,285.96	$7,824,222.82	$15,848,282.26
War	3,590,617.41	9,381,771.36	3,326,672.31	7,511,837.43
Navy	2,784,990.46	5,018,706.53	1,592,492.58	3,719,411.64
Indians	737,505.54	1,983,335.35	166,726.02	428,801.00
Pensions	5,094,323.88	18,757,650.31	18,838,658.73	33,702,151.12
National-bank fund, redemption account	1,200,536.50	2,899,153.50	1,849,219.00	2,152,969.00
Interest	468,430.97	3,291,029.28	876,219.13	8,108,327.86
Premium			1,729,849.72	3,784,229.16
Total	20,738,020.95	60,536,932.29	36,204,060.31	75,257,009.47

RECEIPTS.

Source.	Fiscal year ending June 30, 1891.		Fiscal year ending June 30, 1890.	
	Month of September, 1891.	Since July 1, 1890.	Month of September, 1890.	Since July 1, 1889.
Customs	$14,120,940.30	$44,753,768.82	$22,035,338.96	$66,304,604.92
Internal revenue	11,946,531.71	39,000,228.65	12,614,699.21	36,890,051.05
National-bank deposit fund	835,693.00	1,088,663.00	3,021,000.00	6,025,290.00
Miscellaneous	1,098,082.24	6,343,782.56	2,133,296.38	5,495,054.48
Total	28,001,247.25	91,186,443.02	39,804,334.55	114,715,000.45

EXPENDITURES.

Civil and miscellaneous	$7,292,546.11	$26,497,832.07	$7,530,090.09	$23,379,312.35
War	3,961,443.95	13,343,215.31	3,655,039.44	11,166,876.87
Navy	2,580,157.68	7,598,864.21	1,551,013.72	5,270,425.36
Indians	1,335,038.98	3,318,374.33	556,771.89	985,572.89
Pensions	6,682,878.75	25,440,529.06	37,977.32	33,740,128.44
National-bank fund, redemption account	1,667,763.50	4,566,917.00	2,074,431.50	4,227,400.50
Interest	414,972.22	3,706,001.50	13,410,000.86	21,518,328.72
Premium			4,524,190.74	8,308,419.90
Total	23,934,801.19	84,471,733.48	33,339,455.56	108,596,465.03

Comparative statement of the receipts and expenditures of the United States—Continued.

RECEIPTS.

Source.	Fiscal year ending June 30, 1892.		Fiscal year ending June 30, 1891.	
	Month of October, 1891.	Since July 1, 1891.	Month of October, 1890.	Since July 1, 1890.
Customs	$13,980,687.43	$58,734,456.25	$24,934,114.05	$91,238,718.97
Internal revenue	13,066,461.15	52,066,689.80	12,840,250.54	49,730,301.59
National-bank deposit fund	111,990.00	1,200,653.00	993,720.00	7,019,010.00
Miscellaneous	1,401,413.63	7,745,196.19	1,447,809.70	6,942,864.18
Total	28,560,552.21	119,746,995.24	40,215,894.29	154,930,894.74

EXPENDITURES.

Civil and miscellaneous	$8,983,729.89	$35,424,927.70	$11,542,447.85	$34,822,118.79
War	2,281,916.60	15,619,071.55	4,965,747.99	16,130,568.89
Navy	2,383,305.58	9,945,339.62	2,471,248.56	7,730,667.82
Indians	850,858.99	4,211,286.61	1,300,836.18	2,286,799.74
Pensions	10,976,593.69	36,417,859.40	11,097,474.24	44,837,292.67
National-bank fund, redemption account	1,221,457.50	5,788,374.50	2,202,728.00	6,430,128.50
Interest	5,174,405.77	8,880,000.53	4,312,965.93	25,826,454.52
Premium			143,215.49	8,451,635.39
Total	31,872,268.02	116,286,859.91	38,036,664.24	146,515,666.32

RECEIPTS.

Source.	Fiscal year ending June 30, 1892.		Fiscal year ending June 30, 1891.	
	Month of November, 1891.	Since July 1, 1891.	Month of November, 1890.	Since July 1, 1890.
Customs	$12,659,039.01	$71,885,786.19	$15,227,641.28	$108,135,602.42
Internal revenue	12,480,326.54	64,630,234.87	11,322,047.31	62,078,611.99
National-bank deposit fund	114,275.00	1,314,928.00	307,450.00	7,326,460.00
Miscellaneous	1,663,522.17	9,981,252.52	2,128,986.12	9,735,658.74
Total	26,917,162.72	147,812,301.58	28,986,124.71	187,276,393.15

EXPENDITURES.

Civil and miscellaneous	$9,072,845.14	$41,497,772.84	$8,771,335.85	$43,593,454.64
War	4,055,177.22	19,674,248.77	3,691,393.26	19,822,462.15
Navy	2,684,497.01	12,629,836.63	2,321,959.98	10,052,627.80
Indians	1,200,684.31	5,411,970.92	626,524.92	2,913,324.66
Pensions	11,783,598.71	48,200,458.11	21,511,161.49	66,348,454.16
National-bank fund, redemption account	1,754,954.50	7,543,329.00	2,109,684.50	8,539,813.00
Interest	359,245.41	9,239,245.94	3,537,462.40	29,363,916.92
Premium				8,451,635.39
Total	27,911,002.30	144,196,862.21	42,570,022.40	189,085,688.72

RECEIPTS.

Source.	Fiscal year ending June 30, 1891.		Fiscal year ending June 30, 1890.	
	December.	Since July 1.	December.	Since July 1.
Customs	$13,836,555.64	$85,722,341.83	$16,104,593.09	$124,240,196.51
Internal revenue	12,427,046.73	77,057,281.60	12,944,173.21	75,022,785.20
National-bank deposit fund	286,470.00	1,601,398.00	263,875.00	7,590,335.00
Miscellaneous	1,382,913.36	11,364,265.88	2,057,458.57	11,793,117.31
Total	27,932,985.73	175,745,287.31	31,370,039.87	218,646,433.02

EXPENDITURES.

Civil and miscellaneous	$8,342,679.75	$49,840,452.59	$8,362,245.00	$51,955,699.64
War	5,102,456.59	24,776,705.36	3,669,026.16	23,491,488.31
Navy	2,427,108.94	15,056,945.57	2,163,809.76	12,216,437.56
Indians	1,086,004.54	6,497,975.46	723,860.55	3,637,185.21
Pensions	13,140,769.05	61,341,227.16	2,653,515.94	69,001,970.10
National-bank fund, redemption account	1,397,162.00	8,940,491.00	1,935,467.00	10,475,280.00
Interest	325,708.80	9,564,954.74	470,621.74	29,834,538.66
Premium			1,910,003.85	10,361,639.24
Total	31,821,889.67	176,018,751.88	21,888,550.00	210,974,238.72

Comparative statement of the receipts and expenditures of the United States—Continued.

RECEIPTS.

Source.	Fiscal year ending June 30, 1892.		Fiscal year ending June 30, 1891.	
	January.	Since July 1.	January.	Since July 1.
Customs	$17,459,285.74	$103,181,627.57	$23,897,953.06	$148,138,148.57
Internal revenue	11,439,956.70	88,497,238.30	11,253,863.80	86,276,649.00
National bank deposit fund	159,250.00	1,760,648.00	245,740.00	7,836,075.00
Miscellaneous	1,484,236.16	12,848,502.04	1,658,416.39	13,451,533.70
Total	30,542,728.60	206,288,015.91	37,055,973.25	255,702,406.27

EXPENDITURES.

Civil and miscellaneous	$9,473,708.04	$59,271,930.22	$9,747,655.06	$61,539,224.21
War	4,067,179.34	28,842,751.63	4,450,327.50	27,938,204.23
Navy	2,489,355.26	17,545,431.60	2,386,295.82	14,613,367.59
Indians	950,365.05	7,448,175.76	963,690.10	4,902,067.62
Pensions	10,521,941.40	71,871,961.23	1,080,570.56	70,081,657.48
National-bank fund, redemption account	1,488,172.50	10,428,663.50	2,461,760.00	12,937,040.00
Interest	6,672,801.01	16,238,680.75	2,851,428.66	32,675,449.15
Premium			39,581.37	10,401,220.61
Total	35,663,522.60	211,647,594.69	23,981,309.07	234,778,170.89

RECEIPTS.

Source.	Fiscal year ending June 30, 1892.		Fiscal year ending June 30, 1891.	
	Month of February, 1892.	Since July 1, 1891.	Month of February, 1891.	Since July 1, 1890.
Customs	$16,782,419.95	$119,896,874.59	$18,994,189.72	$166,310,626.68
Internal revenue	12,189,387.36	101,157,232.47	9,489,629.57	96,478,095.79
National-bank deposit fund	56,960.00	1,817,608.00	338,145.00	8,174,220.00
Miscellaneous	1,727,137.26	15,220,016.16	789,353.73	15,184,875.47
Total	30,755,904.57	238,091,731.22	29,611,318.02	286,147,727.94

EXPENDITURES.

Civil and miscellaneous	$8,223,430.67	$67,495,360.89	$6,180,218.75	$67,719,442.96
War	5,072,548.00	31,915,299.63	2,841,729.84	30,779,934.07
Navy	1,852,926.67	19,398,358.27	2,086,497.66	16,689,865.25
Indians	487,763.85	7,935,939.61	667,113.25	5,269,120.87
Pensions	11,561,447.31	83,433,408.54	17,310,563.08	87,392,220.56
National-bank fund, redemption account	1,519,333.50	11,947,997.00	2,279,340.50	15,216,380.50
Interest	764,609.13	17,003,289.88	359,546.78	33,034,995.93
Premium				10,401,220.61
Total	27,482,059.13	239,129,653.82	31,725,009.86	266,503,180.75

RECEIPTS.

Source.	Fiscal year ending June 30, 1892.		Fiscal year ending June 30, 1891.	
	March.	Since July 1.	March.	Since July 1.
Customs	$16,415,312.83	$136,312,186.92	$15,373,522.85	$181,684,149.53
Internal revenue	12,133,601.09	113,290,833.56	11,206,723.41	107,684,729.20
National-bank deposit fund	212,200.00	2,029,808.00	390,875.00	8,565,095.00
Miscellaneous	1,287,692.91	16,507,709.07	2,447,209.20	17,632,084.67
Total	30,048,806.33	268,140,537.55	29,418,330.46	315,566,058.40

EXPENDITURES.

Civil and miscellaneous	$7,800,501.86	$75,295,862.75	$11,647,638.63	$79,367,081.59
War	3,434,574.96	35,349,874.59	3,707,580.96	34,487,515.03
Navy	2,405,585.01	21,803,943.28	2,353,469.26	19,043,334.51
Indians	957,119.43	8,893,059.04	1,120,046.85	6,389,167.72
Pensions	12,937,407.06	96,370,815.60	9,514,578.24	96,906,798.80
National-bank fund, redemption account	1,205,372.50	13,153,369.50	2,440,264.50	17,656,585.00
Interest	249,028.97	17,252,318.85	719,423.16	33,754,419.09
Premium				10,401,220.61
Total	28,989,589.79	268,119,243.61	31,502,941.60	298,006,122.35

Comparative statement of the receipts and expenditures of the United States—Continued.

RECEIPTS.

Source.	Fiscal year ending June 30, 1892.		Fiscal year ending June 30, 1891.	
	April.	Since July 1.	April.	Since July 1.
Customs	$13,709,989.18	$150,022,176.10	$12,591,990.18	$194,276,139.71
Internal revenue	12,048,622.17	125,339,455.73	11,420,455.56	119,105,184.76
National-bank deposit fund	417,130.00	2,446,938.00	580,600.00	9,145,695.00
Miscellaneous	1,212,612.69	17,720,321.76	1,452,785.90	19,084,870.57
Total	27,388,354.04	295,528,891.59	26,045,831.64	341,611,890.04

EXPENDITURES.

Civil and miscellaneous	$9,104,040.82	$84,354,620.22	$14,036,844.86	$93,411,402.34
War	3,600,098.06	38,950,557.81	4,263,768.37	38,749,792.29
Navy	2,008,779.34	23,811,945.01	2,099,898.94	21,140,905.08
Indians	876,017.86	9,774,110.85	771,451.98	7,159,347.71
Pensions	12,705,035.01	109,552,610.08	264,191.80	97,174,355.28
National-bank fund, redemption account	1,038,445.00	14,191,814.50	1,540,086.50	19,196,671.50
Interest	1,765,660.88	19,016,898.73	2,354,951.61	36,091,822.31
Premium				10,401,220.61
Total	31,098,076.97	299,652,557.20	25,331,194.06	323,325,517.12

RECEIPTS.

Source.	Fiscal year ending June 30, 1892.		Fiscal year ending June 30, 1891.	
	May.	Since July 1.	May.	Since July 1.
Customs	$13,121,391.37	$163,264,538.64	$11,995,141.77	$205,731,913.13
Internal revenue	13,050,106.75	138,763,332.85	12,232,704.18	132,216,628.99
National-bank deposit fund	270,400.00	2,717,338.00	128,120.00	9,273,815.00
Miscellaneous	2,056,900.33	20,968,974.78	3,061,459.99	22,890,360.17
Total	28,498,798.45	325,714,184.27	27,417,425.94	370,112,717.29

EXPENDITURES.

Civil and miscellaneous	$7,972,853.30	$92,327,473.52	$10,132,414.20	$103,543,816.54
War	3,632,339.07	42,532,896.88	5,389,418.48	44,139,210.77
Navy	2,603,881.81	26,415,826.82	2,751,875.11	23,892,789.19
Indians	542,253.72	10,316,364.57	580,914.84	7,740,242.55
Pensions	12,908,339.24	122,460,949.32	8,519,169.53	105,693,524.81
National-bank fund, redemption account	1,022,684.50	15,214,499.00	2,081,758.50	21,278,430.00
Interest	4,073,126.75	23,090,025.48	316,534.49	36,408,256.80
Premium				10,401,230.61
Total	32,755,478.39	332,408,035.59	29,772,085.15	353,097,602.27

RECEIPTS.

Source.	Fiscal year ending June 30, 1892.		Fiscal year ending June 30, 1891.	
	Month of June, 1892.	Since July 1, 1891.	Month of June, 1891.	Since July 1, 1890.
Customs	$14,618,495.37	$177,883,034.01	$14,168,745.47	$219,522,205.23
Internal revenue	14,779,922.34	153,543,255.19	13,726,652.43	145,686,249.44
National-bank deposit fund	260,500.00	2,977,838.00	89,900.00	9,363,715.00
Miscellaneous	1,560,200.27	22,529,175.05	3,736,451.61	27,403,992.64
Total	31,219,117.98	356,933,302.25	31,721,749.51	401,976,162.31

EXPENDITURES.

Civil and miscellaneous	$7,606,018.09	$99,933,491.61	$6,595,523.30	$110,048,167.49
War	4,314,346.16	46,897,243.04	4,583,906.08	48,720,065.01
Navy	2,760,368.30	29,176,195.12	2,222,318.26	26,113,896.46
Indians	830,621.51	11,146,986.08	785,925.69	8,527,469.01
Pensions	12,122,095.44	134,583,044.76	18,721,585.56	124,415,951.40
National-bank fund, redemption account	1,018,222.00	16,232,721.00	2,274,868.50	23,553,298.50
Interest	288,962.75	23,378,988.23	718,844.57	37,547,135.37
Premium				10,401,220.61
Total	28,940,634.25	361,348,669.84	35,902,971.96	389,327,203.85

Comparative statement of the receipts and expenditures of the United States—Continued.

RECEIPTS.

Source.	Fiscal year ending June 30, 1892.		Fiscal year ending June 30, 1891.	
	July.	Since July 1.	July.	Since July 1.
Customs	$17,205,153.00	$177,883,034.01	$15,468,153.91	$219,522,205.23
Internal revenue	14,866,118.33	153,543,255.19	14,551,867.92	145,686,249.44
National-bank deposit fund	257,025.00	2,977,838.00	142,100.00	9,363,715.00
Miscellaneous	2,243,059.92	22,529,175.05	4,138,222.85	27,403,992.64
Total	34,571,356.25	356,933,302.25	34,300,344.68	401,976,162.31

EXPENDITURES.

Civil and miscellaneous	$8,755,801.44	$99,933,491.61	$12,343,669.77	$110,048,167.49
War	3,565,087.62	46,897,243.04	5,791,153.95	48,720,065.01
Navy	2,221,707.86	29,176,195.12	2,233,716.07	26,113,893.46
Indians	508,614.79	11,146,986.08	1,245,829.81	8,527,469.01
Pensions	14,235,140.15	134,583,044.76	13,663,326.43	124,415,951.40
National-bank fund, redemption account	915,430.50	16,232,721.00	1,698,617.00	23,553,298.50
Interest	7,047,624,68	23,378,988.23	2,822,598.31	37,547,135.37
Premium				10,401,220.61
Total	37,249,407.04	361,348,669.84	39,798,911.34	389,327,203.85

RECEIPTS.

Source.	Fiscal year ending June 30, 1892.		Fiscal year ending June 30, 1891.	
	August.	Since July 1.	August.	Since July 1.
Customs	$18,271,068.55	$35,476,821.55	$15,164,674.61	$30,632,828.52
Internal revenue	14,069,459.80	28,929,578.13	12,501,829.02	27,053,696.94
National-bank deposit fund	553,870.00	810,895.00	110,870.00	252,970.00
Miscellaneous	1,143,330.18	3,386,990.10	1,107,477.47	5,245,700.32
Total	34,032,928.53	68,604,284.78	28,884,851.10	63,185,195.78

EXPENDITURES.

Civil and miscellaneous	10,468,448.84	19,224,250.28	6,861,616.19	19,205,285.96
War	4,239,044.31	7,801,131.93	3,590,617.41	9,381,771.36
Navy	2,186,749.34	4,408,457.20	2,784,990.46	5,018,706.53
Indians	737,644.41	1,246,259.20	737,505.54	1,983,355.35
Pensions	13,478,067.56	27,713,207.71	5,094,323.88	18,757,650.31
National-bank fund, redemption account	640,525.50	1,555,956.00	1,200,536.50	2,899,153.50
Interest	330,299.57	7,377,924.25	468,490.97	3,291,029.28
Premium				
Total	32,080,779.53	69,330,186.57	20,738,020.95	60,536,932.29

RECEIPTS.

Source.	Fiscal year ending June 30, 1892.		Fiscal year ending June 30, 1891.	
	September.	Since July 1.	September.	Since July 1.
Customs	$17,209,947.88	$52,686,769.43	$14,120,940.30	$44,753,768.82
Internal revenue	13,735,887.81	42,665,465.94	11,946,531.71	39,000,228.65
National-bank deposit fund	43,650.00	854,545.00	835,693.00	1,088,663.00
Miscellaneous	851,792.97	4,238,783.07	1,098,082.24	6,343,782.56
Total	31,841,278.66	100,445,563.44	28,001,247.25	91,186,443.03

EXPENDITURES.

Civil and miscellaneous	$7,641,351.04	$28,865,601.32	$7,292,546.11	$26,479,823.07
War	4,363,770.46	12,167,902.39	3,961,443.95	13,343,215.31
Navy	2,580,788.07	6,995,245.27	2,580,157.68	7,598,854.21
Indians	698,998.37	1,945,257.57	1,335,038.98	3,318,374.33
Pensions	12,654,367.13	40,367,574.84	6,682,878.75	25,440,529.06
National-bank fund, redemption account	725,375.50	2,281,331.50	1,667,763.50	4,566,917.00
Interest	247,448.17	7,625,072.42	414,972.22	3,706,001.50
Premium				
Total	28,917,798.74	98,247,985.31	23,934,801.19	84,471,733.48

Comparative statement of the receipts and expenditures of the United States—Continued.

RECEIPTS.

Source.	Fiscal year ending June 30, 1892.		Fiscal year ending June 30, 1891.	
	Month of October, 1892.	Since July 1, 1891.	Month of October, 1891.	Since July 1, 1890.
Customs	$16,366,558.62	$99,053,328.05	$13,980,687.43	$58,734,456.25
Internal revenue	14,153,891.04	56,819,356.98	13,066,461.15	52,066,689.80
National-bank deposit fund	547,598.00	1,402,143.00	111,900.00	1,200,653.00
Miscellaneous	768,090.55	5,006,873.62	1,401,413.63	7,745,196.19
Total	31,836,138.21	132,281,701.65	28,560,552.21	119,746,995.24

EXPENDITURES.

Civil and miscellaneous	$7,660,742.67	$34,723,248.18	$8,983,729.89	$35,424,927.70
War	3,515,426.40	15,680,528.27	2,281,916.60	15,619,071.55
Navy	1,844,464.37	8,839,325.95	2,383,305.58	9,945,539.62
Indians	1,332,315.81	3,279,379.59	850,858.99	4,211,286.61
Pensions	11,682,410.59	52,049,924.31	10,976,593.69	36,417,859.40
National-bank fund, redemption account	693,288.00	2,974,619.50	1,221,457.50	5,788,374.50
Interest	5,152,602.34	12,777,582.26	5,174,405.77	8,880,000.53
Premium				
Total	31,881,250.18	130,324,608.06	31,872,268.02	116,286,859.91

RECEIPTS.

Source.	Fiscal year ending June 30, 1892.		Fiscal year ending June 30, 1891.	
	Month of November, 1892.	Since July 1, 1891.	Month of November, 1891.	Since July 1, 1890.
Customs	$14,269,379.94	$84,267,893.35	$12,659,039.01	$71,885,786.19
Internal revenue	13,050,706.64	69,769,861.09	12,480,326.54	64,630,254.87
National-bank deposit fund	54,750.00	1,456,893.00	114,275.00	1,314,928.00
Miscellaneous	1,419,808.80	7,146,322.28	1,663,522.17	9,981,352.52
Total	28,794,645.38	162,640,969.72	26,917,162.72	147,812,301.58

EXPENDITURES.

Civil and miscellaneous	$7,796,814.98	$42,520,063.16	$6,072,845.14	$41,497,772.84
War	4,751,186.70	20,431,714.97	4,055,177.22	19,674,248.77
Navy	2,736,096.15	11,575,422.10	2,684,497.01	12,629,836.63
Indians	559,822.47	3,839,202.06	1,200,684.31	5,411,970.92
Pensions	13,431,871.00	65,481,795.31	11,783,598.71	48,200,458.11
National-bank fund, redemption account	1,108,104.50	4,082,724.00	1,754,954.50	7,543,329.00
Interest	364,986.98	13,142,569.24	359,245.41	9,239,245.94
Premium				
Total	30,748,882.78	161,073,490.84	27,911,002.30	144,196,862.21

RECEIPTS.

Source.	Fiscal year ending June 30, 1892.		Fiscal year ending June 30, 1891.	
	Month of December, 1891.	Since July 1, 1891.	Month of December, 1890.	Since July 1, 1890.
Customs	$16,308,334.25	$100,576,227.60	$13,836,555.64	$85,722,341.83
Internal revenue	14,843,836.27	84,613,697.36	12,427,046.73	77,057,281.60
National-bank deposit fund	145,947.50	1,602,840.50	286,470.00	1,601,398.00
Miscellaneous	1,914,793.08	9,061,115.36	1,382,913.36	11,364,265.88
Total	33,212,911.10	195,853,880.82	27,932,985.73	175,745,287.31

EXPENDITURES.

Civil and miscellaneous	$8,675,317.07	$51,195,380.23	$8,342,679.75	$49,840,452.59
War	5,726,440.98	26,158,155.95	5,102,456.59	24,776,705.36
Navy	2,547,072.71	14,122,494.81	2,427,108.94	15,056,945.57
Indians	1,293,256.59	5,132,458.65	1,086,004.54	6,497,975.46
Pensions	14,942,108.41	80,423,903.72	13,140,769.05	61,341,227.16
National-bank fund, redemption account	817,124.00	4,890,848.00	1,397,162.00	8,940,491.00
Interest	275,803.82	13,418,373.06	325,708.80	9,564,954.74
Premium				
Total	34,277,123.58	195,350,614.42	31,821,889.67	176,018,751.88

Comparative statement of the receipts and expenditures of the United States—Continued.

RECEIPTS.

Source.	Fiscal year ending June 30, 1893.		Fiscal year ending June 30, 1892.	
	Month of January, 1893.	Since July 1, 1892.	Month of January, 1892.	Since July 1, 1891.
Customs	$21,102,4[illegible].50	$121,678,734.10	$17,459,285.74	$103,181,627.57
Internal revenue	12,052,917.57	96,699,614.93	11,439,956.70	88,497,238.30
National-bank deposit fund	206,920.00	1,809,760.50	159,250.00	1,760,648.00
Miscellaneous	1,847,658.24	10,908,773.60	1,484,236.16	12,848,502.04
Total	35,209,972.31	231,063,853.13	30,542,728.60	206,288,015.91

EXPENDITURES.

Civil and miscellaneous	$10,451,683.25	$61,590,496.33	$9,473,706.04	$50,271,930.22
War	4,270,785.65	30,429,290.74	4,067,179.34	28,842,751.63
Navy	2,319,309.60	16,441,957.41	2,489,355.26	17,545,431.60
Indians	1,167,567.03	6,299,421.33	950,395.05	7,448,175.76
Pensions	13,038,270.40	93,471,182.00	10,521,941.40	71,871,961.23
National-bank fund, redemption account	901,929.50	5,801,777.50	1,488,172.50	10,428,663.50
Interest	7,109,836.25	20,521,935.31	6,672,801.01	16,238,680.75
Premium				
Total	39,253,381.68	234,556,060.65	35,663,522.60	211,647,594.69

RECEIPTS.

Source.	Fiscal year ending June 30, 1893.		Fiscal year ending June 30, 1892.	
	Month of February, 1893.	Since July 1, 1892.	Month of February, 1892.	Since July 1, 1891.
Customs	$16,936,395.28	$138,615,099.38	$16,782,419.95	$119,896,874.59
Internal revenue	11,316,832.14	107,983,447.07	12,189,387.36	101,157,232.47
National-bank deposit fund	311,750.00	2,121,510.50	56,960.00	1,817,608.00
Miscellaneous	1,444,914.81	12,353,688.41	1,727,137.26	15,220,016.16
Total	30,009,892.23	261,073,745.36	30,755,904.57	238,091,731.22

EXPENDITURES.

Civil and miscellaneous	$9,322,334.69	$70,912,831.02	$8,223,430.67	$67,495,360.89
War	3,665,027.94	34,094,318.68	3,072,548.00	31,915,299.63
Navy	2,836,969.00	19,278,926.41	1,852,926.67	19,398,258.27
Indians	1,225,054.07	7,524,475.43	487,763.85	7,935,939.61
Pensions	13,494,663.26	106,965,845.26	11,561,447.31	83,433,408.54
National-bank fund, redemption account	811,181.00	6,612,958.50	1,519,333.50	11,947,997.00
Interest	322,224.04	20,844,159.35	764,609.13	17,003,289.88
Premium				
Total	31,677,454.00	266,233,514.65	27,482,059.13	239,129,653.82

Pure-Food Bill.

SPEECH

OF

HON. HENRY D. FLOOD,

OF VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, June 23, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration the bill (S. 88) for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes—

Mr. FLOOD said:

Mr. CHAIRMAN: I trust this amendment will be adopted. Its purpose is to obviate the necessity of small canners being compelled to put the weight and measure upon the cans. Such compulsion would work havoc in their modest industry, as it would be impossible for them, with their limited machinery, to attain to rigid exactness in weight and measure. Indeed, such compulsion would drive them from business.

The difficulties both as to absolute uniformity in size of cans and of weight and measure in the products canned have been demonstrated to be inherent in the nature of the case and beyond the province of remedial legislation.

In so far as it relates to purchase and sale, the goods are

neither bought nor sold by weight or measure, and the only thing that does enter vitally into the purchase or sale is the number of the cans and the quality of the goods. The cans being standard sizes, and as nearly uniform as it is possible to make them, show for themselves as to quantity of contents, and samples are opened by the salesman or broker and the quality shown to the purchasers.

Mr. Chairman, the provisions of the pending bill, as it applies to small canners, would be gratuitous, wanton, and impracticable. It would work no substantial good, as the present system works no substantial harm. The amendment will preserve the present system, and in the interest of fair play it should be adopted.

Mr. Chairman, consumers do not look to buy canned fruits and vegetables by apothecaries' weight, which would be "splitting a hair between north and northwest side."

In one county alone of my district—Botetourt—the enforcement of the propositions contained in this bill would be the virtual ruin of some of her very best citizens. In that county there are dozens of fruit and vegetable canneries which could not sustain the strain of this imposition, and I am unwilling to see these men driven to the wall.

Mr. Chairman, theirs is a goodly land, a land of picturesque and diversified aspects—mountains and piedmont swell and smiling valley. The soil is genial and spontaneous to the plowshare and the pruning hook, and the people of that county have ever borne that good name which is declared in the Good Book to be better than great riches. It was carved from that ancient county, Augusta, to which Washington looked as the last resource in the Revolution. In that struggle she had heroic names—names which added luster to American renown—the names of Breckenridge, Harvey, and others; and her present population is not degenerate from its forbears.

There are other counties in my district whose people are interested in the canning industry, an industry which should not be destroyed by unwise legislation. Adopt this amendment and save them and others in other parts of the country who are similarly situated.

Collection of the Revenue.

SPEECH
OF
HON. JAMES T. McCLEARY,
OF MINNESOTA,
IN THE HOUSE OF REPRESENTATIVES,

Monday, June 25, 1906.

The House being in the Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 19750) to amend an act entitled "An act to simplify the laws in relation to the collection of revenues," approved June 10, 1890, as amended by the act entitled "An act to provide revenue for the Government and to encourage the industries of the United States," approved July 24, 1897—

Mr. McCLEARY of Minnesota said:

Mr. CHAIRMAN: We are about to enter upon a national campaign for the control of this House for two years. No campaign of this kind is worthy of our American system of popular government—resting on the intelligence and integrity of the American people—that does not leave the people of this country richer in knowledge, sounder in judgment, and loftier in spirit than ever before. Every such campaign should in truth be a "campaign of education."

We all need to be called from time to time to the larger view than that which presses upon us in our daily struggle for bread. And, sir, what a magnificent opportunity for enlarging the horizon is offered by an American national campaign to those who rightly apprehend its meaning and dignity—an opportunity for cultivating all that is best in both speakers and hearers.

No man can legislate nationally who can not think nationally. No man is a safe guide in such a campaign who emphasizes the sectional and the selfish. No man is fit to be considered for an office of large public responsibility who does not enter a campaign like that which lies before us with the profound conviction that his prime purpose in the contest should be to help establish a great truth rather than to win a personal victory.

Mr. Chairman, I stand unequivocally and without stuttering for the Republican doctrine of protection and reciprocity, as enunciated in the Republican national platform of 1904 as that platform has been interpreted by Theodore Roosevelt.

In the time allotted me I propose to state exactly what doctrine was enunciated in that platform, to show the construction that has been put upon that enunciation by Theodore Roosevelt, and to tell why I approve the platform thus enunciated and interpreted.

But first, by way of preface, a few words as to the importance in our political system of platforms and authoritative interpretations.

OURS A GOVERNMENT BY PARTY.

Ours has been described in immortal phrase as a government "of the people, by the people, and for the people." In this land of free thought and free speech it is natural and proper that there should be honest differences of opinion on questions of public concern. And it is natural and proper that citizens holding the same or similar views on great public questions should sink minor differences of opinion and associate themselves together to the end that the important matters on which they agree shall be carried out in public law and administration. Those who thus voluntarily act together for the accomplishment of practical political purposes constitute what in this country we call a "party." So it is natural and proper that in this free country we should have government by and through party organizations.

In scarcely any other country is there government by party as we understand and practice it. In most countries the members of representative legislative bodies rally into what are called "groups." For instance, in the Danish House of Representatives, of 105 members, there are six of these groups, and in the German Reichstag or House of Representatives—composed of 397 members, almost the exact number of this House—there are 14 groups, ranging in membership from 1 to 100 each. No one of these groups has either control or responsibility. Out of this condition come many difficulties and embarrassments of legislation and administration that we in this country find it hard to understand or appreciate.

In this House, which stands directly for the people of the United States, we have two parties represented, and only two. These parties are, moreover, national in character, each having adherents in every section of the country, from ocean to ocean and from the Lakes to the Gulf. Our political system, Mr. Chairman, does not encourage third parties, let alone a multiplicity of small "groups." From the foundation of our Government this has been true, and in my judgment it is in the nature of the case that it should remain so. The practical importance and far-reaching significance of this apparently simple fact is hard for us to realize, and at this time I can do little more than refer to it.

One of the things signified by this two-party alignment is that our political differences are few but fundamental. Another of the things thus signified is that in this country questions that are national are separated from those that are merely local, the latter being largely controlled by our State governments.

By far the most potent cause of this alignment in two "parties" instead of in many "groups" is the election of our Chief Executive by nation-wide vote on a certain day after a "campaign."

By contrast, the people of Switzerland choose seven executive officers, which correspond to our "Cabinet." These officers, who are the Swiss cabinet in fact, choose from among themselves a chairman, and he thus becomes the President of the Swiss Republic. And in France the President of the Republic is elected by the legislative body, whose members are chosen without that duty in view.

There is nothing corresponding closely to our "Presidential campaign" in any European country, or, in fact, in any other country anywhere.

THE IMPORTANCE OF PLATFORMS.

A practice in effect quite like that of France prevailed in this country for half a century after the adoption of our Constitution. During that time, as now, the "issues" of the national campaigns developed in Congress; but at that time the party nominees for President and Vice-President were designated by Congressional caucuses. After the first two elections, when Washington was the choice of all, the Presidential electors (then chosen in many States by the legislatures thereof) simply ratified these Congressional selections. As a matter of fact, this Government was established in distrust of the ability of the people to decide wisely national questions or to choose wisely national officers, as is shown, for example, in our method of choosing the President by electors instead of by direct vote of the people.

Gradually the people have won their way to the control of national affairs. By 1840, after a twelve-year period of transition, a long step in that direction was taken, when the nomination of Presidential candidates by Congressional caucuses finally gave way to their nomination by national conventions composed of men chosen by the people for that purpose.

The national convention, composed of men from all parts of the country, chosen directly by the members of the party for the specific purpose of voicing their thought, has two great functions to perform, namely, to state the attitude of the party on the issues of the time and to nominate candidates for President and Vice-President. The doctrines and candidates are put forward for the judgment of the people, the merits and demerits of both being considered in a long "campaign." This method of choosing a Chief Executive for the nation is distinctively our own, and it is of very great and far-reaching significance.

To every straightforward and honorable man it is a self-evident truth that the real beliefs and purposes of the party should be clearly and unequivocally set forth in the platform, and that the nominees should be in entire harmony with the doctrines thus enunciated.

Under the very proper practice that has long prevailed in both parties, the candidates are formally "notified" of their nominations some weeks after the convention by committees appointed by it. Although the nominees have known from the minute of their nomination that they had been made the standard bearers of their respective parties, this is no idle form that is gone through by the notification committees. In response to the notification, the nominee is expected to make a "speech of acceptance," and some weeks later to send to the chairman of the notification committee a formal "letter of acceptance." This speech and this letter are published in all parts of the country and are eagerly read by all people who take interest in our national affairs. Why this eager and earnest reading of these utterances? Because they are recognized as furnishing the authoritative interpretation of the platform. The platform enunciated by the convention and interpreted by the nominee becomes the authoritative statement of the party faith, the ground upon which the party appeals to the people for support. It need hardly be added that if the party is intrusted with power, simple good faith demands that the pledges thus made should be kept in letter and in spirit.

The platform thus enunciated and thus interpreted remains the standard of party faith and the obligation of party honor until supplanted by another national convention, authorized by the party members throughout the nation to restate the faith of the party. No one else has authority to modify or set it aside. To try to do so would in itself be a breach of faith.

"THE FATHERS" WERE PROTECTIONISTS.

Mr. Chairman, I propose to discuss at this time a question germane to the pending bill, which for three-quarters of a century, at recurring periods, has been the great question in our politics. It was not at all a question during the first forty years of our national life. George Washington, John Adams, Thomas Jefferson, James Madison, James Monroe, John Quincy Adams, and Andrew Jackson did not dispute about this question, except as to matters of detail. Practically without exception the fathers who framed the Constitution and the Presidents who set it in motion and administered the law under it were protectionists.

It was after 1832 that the tariff became a question of party policy in this country. That is, about 1832 first arose any marked difference of opinion as to the principles that should govern Congress in the enactment of tariff laws. Up to that time the cotton manufacturers of New England had furnished to the cotton growers of the South their chief market. In old England there had long been a duty on raw cotton, placed there for the encouragement of the growers of cotton in India, a possession of Great Britain, to which she gave "preferential" rates of duty. But some time before 1832 the manufacturers of Great Britain discovered that they could not get along without the long-staple cotton from America. Their rivals were using it, and in self-defense they were compelled to get it. So in 1832 England placed cotton on her free list. There had been some grumblings in this country about the tariff before that—some protests against the tariff acts of 1824 and 1828. But in 1832, when our southern brethren found in old England a market for cotton and thus became independent of the New England States, throughout the South doctrine was boldly preached—announced then for the first time in our history—that the only constitutional object of Congress in the levying of tariff duties was for "revenue only." Then and there and thus was born in this country the doctrine of a tariff "for revenue only," with the emphasis on the word "only."

In 1846 Great Britain took another step which also had a great influence on political opinion in the United States. Before then, as now, the main support of the doctrine of protection was that given by the farmers. But in 1846 Great Britain resolved to put food products on the free list. Then, in 1846 and for some time thereafter, the same line of "argument"—the same cry against "buying in a protected market and selling in a free-trade market"—that carried the South off its feet in 1833 carried the farming communities of the North off their feet. Then and thus came into being the movement which gave strength to the tariff act of 1846, known as the "Walker tariff."

And for seventy years at recurring periods, when not temporarily overshadowed by something else, the tariff has been the main issue between the parties.

THE REPUBLICAN TARIFF DOCTRINE.

It is evident that one of the principal issues in the Congressional campaign this fall will be the tariff. It becomes proper, therefore, to consider the attitude of the parties on this subject, as expressed in their national platforms.

As to the tariff, the Republican national platform of 1904 says:

> Protection, which guards and develops our industries, is a cardinal principle of the party.
>
> The measure of protection should always at least equal the difference in the cost of production at home and abroad.
>
> We insist upon the maintenance of the principle of protection, and therefore rates of duty should be readjusted only when conditions have so changed that the public interest demands their alteration, but this work can not be safely committed to any other hands than those of the Republican party. To intrust it to the Democratic party is to invite disaster. Whether, as in 1892, the Democratic party declares the protective tariff unconstitutional, and whether it demands tariff reform or tariff revisions, its real object is always the destruction of the protective system. However specious the name, the purpose is ever the same. A Democratic tariff has always been followed by business adversity, a Republican tariff by business prosperity. To a Republican Congress and a Republican President this great question can be safely intrusted. When the only free-trade country among the great nations agitates a return to protection, the chief protective country should not falter in maintaining it.
>
> We have extended widely our foreign markets, and we believe in the adoption of all the practicable methods for their further extension, including commercial reciprocity wherever reciprocal arrangements can be effected consistent with the principles of protection and without injury to American agriculture, American labor, or any American industry.

This authoritative statement of party faith asserts and emphasizes four central thoughts, namely:

1. That protection is a permanent cardinal principle of the Republican fiscal system and not a mere expedient to be employed for local and temporary purposes.

2. That the difference in cost of production at home and abroad is the minimum measure of protection—not the exact measure, but the minimum measure. There is no reference to any maximum, so it is plain that according to the Republican doctrine the chief danger to be feared is that resulting from fixing rates of duty too low. The maximum is determined by the necessity for raising revenue, so the rates can not be made prohibitive.

3. That revision of the tariff is not a thing to be entered upon lightly, but that "rates of duty should be readjusted *only* when conditions have so changed that the public interest"—not some local interest—"demands their alteration;" and that in such revision protection according to the measure stated shall always be maintained.

4. That in any reciprocity arrangements entered into by the United States the principle of ample protection to every American industry must be preserved.

The last Republican national convention was held in Chicago in 1904, and its nominee for the office of Chief Executive of the nation was Theodore Roosevelt, then and now President of the United States.

And now let us see how the nominee of our party for the Presidency understood the platform on which he was nominated, the platform which he pledged himself to the American people to do his part to carry out if elected.

In ascertaining his views it would be manifestly improper to quote anything that he might have said casually in a private conversation in conference with men of varying views, with whom it is his duty to consult from time to time and not unnecessarily antagonize. Only views expressed publicly and uttered deliberately with the very object of giving to the public his judgment should be quoted; and preferably what he said in his "speech of acceptance" and his "letter of acceptance" should be used if they cover the matter in question.

ROOSEVELT ON THE PERMANENCY OF PROTECTION.

In his letter of acceptance, dated September 12, 1904, and addressed to the Hon. JOSEPH G. CANNON, chairman of the committee of notification, Mr. Roosevelt said relative to the permanency of the policy of protection:

> It is a matter of regret that the protective tariff policy, which, during the last forty-odd years, has become part of the very fiber of the country, is not now *accepted as definitely established*. Surely we have a right to say that it has passed beyond the domain of theory, and a right to expect that not only its original advocates, but those who at one time distrusted it on theoretic grounds should now acquiesce in the results that have been proved over and over again by actual experience. These forty-odd years have been the most prosperous years

this nation has ever seen; more prosperous years than any other nation has ever seen. Beyond question this prosperity could not have come if the American people had not possessed the necessary thrift, energy, and business intelligence to turn their vast material resources to account. But it is no less true that it is our economic policy as regards the tariff and finance which has enabled us as a nation to make such good use of the individual capacities of our citizens, and the natural resources of our country. Every class of our people is benefited by the protective tariff.

ROOSEVELT ON THE MEASURE OF PROTECTION.

In his speech accepting the nomination for the Presidency, delivered at Oyster Bay, on July 27, 1904, Mr. Roosevelt said relative to the measure of protection:

The standard of living of our wage-workers is higher than that of any other country, and it can not so remain unless we have a protective tariff which shall *always* keep *as a minimum* a rate of duty sufficient to cover the difference between the labor cost here and abroad.

In his letter of acceptance Mr. Roosevelt quotes and reaffirms the following from a speech that he had made at Logansport, Ind., two years before:

The tariff rate *must never fall below* that which will protect the American workingman by allowing for the difference between the general labor cost here and abroad, so as *at least to equalize* the conditions arising from the difference in the standard of labor here and abroad—a difference which it should be our aim to foster in so far as it represents the needs of better educated, better paid, better fed, and better clothed workingmen of a higher type than any to be found in a foreign country. * * * Our laws should in no event afford advantage to foreign industries over American industries. They should *in no event do less* than equalize the difference in conditions at home and abroad.

In a speech made in Minneapolis, Minn., on the evening of April 4, 1903—a speech, by the way, that was made for the very purpose of correcting some misstatements that had been made in that part of the country as to his position on the tariff—President Roosevelt covered both the idea of permanency of the protective policy and that of ample adequacy of rates of duty, saying:

The general tariff policy to which, without regard to changes in detail, I believe this country is *irrevocably committed* is fundamentally based upon *ample* recognition of the difference between the cost of production—that is, the cost of labor—here and abroad, and of the need to see to it that our laws shall in no event afford advantage in our own market to foreign industries over American industries, to foreign capital over American capital, to foreign labor over our own labor.

Many other illustrations might be given showing what is really "the Roosevelt idea" as to tariff rates. Nowhere, so far as I can find, has he ever, since he became President, said anything in contravention of these ideas. Enough has been quoted to show that the President not only approves the doctrine enunciated in the national platform but that he himself probably suggested the language of the platform.

ROOSEVELT ON TARIFF REVISION.

Relative to tariff revision, Mr. Roosevelt said in his speech of acceptance:

We have enacted a tariff law under which during the past few years the country has attained a height of material well-being never before reached. Wages are higher than ever before. That whenever the need arises there should be a readjustment of the tariff schedules is undoubted; *but*—

It will be noted by students of Roosevelt's utterances on this subject that he always follows the concession that tariff changes may sometime be needed with a vigorous warning beginning with "but." Too often the first part is quoted without the warning, which always follows, introduced by the disjunctive "but,' or some equivalent expression.

—but such changes can with safety be made only by those whose devotion to the principle of a protective tariff is beyond question; for otherwise the changes would amount not to readjustment but to repeal. The readjustment when made must maintain and not destroy the protective principle.

In his Minneapolis speech, on April 4, 1903, the President had said on this subject:

It is almost as necessary that our policy should be stable as that it should be wise. A nation like ours could not long stand the ruinous policy of readjusting its business to radical changes in the tariff at short intervals, especially when, as now, owing to the immense extent and variety of our products, the tariff schedules carry rates of duty on thousands of different articles.

* * * * * * *

If a tariff law has on the whole worked well, and if business has prospered under it and is prospering, it may be better to endure some inconveniences and inequalities for a time than by making changes to risk causing disturbance and perhaps paralysis in the industries and business of the country. The fact that the change in a given rate of duty may be thought desirable does not settle the question whether it is advisable to make the change immediately. Every tariff deals with duties on thousands of articles arranged in hundreds of paragraphs and in many schedules. These duties affect a vast number of interests, which are often conflicting.

If necessary for our welfare, then, of course, Congress must consider the question of changing the law as a whole or changing any given rate of duty; *but*—

Here again we have the "but" that I referred to a moment ago—

but we must remember that whenever even a single schedule is considered some interest will appear to demand a change in almost every schedule in the law; and when it comes to upsetting the schedules generally the effect upon the business interests of the country would be ruinous.

* * * * * * *

We can not afford to become fossilized or to fail to recognize the fact that as the needs of the country change it may be necessary to meet these new needs by changing certain features of our tariff laws. *Still less*—

"Still less" is a strong equivalent for the "but" before referred to—

Still less can we afford to fail to recognize the further fact that these changes must not be made until the need for them *outweighs the disadvantages* which may result.

* * * * * * *

We have prospered marvelously at home. As a nation we stand in the very forefront in the giant international industrial competition of the day. We can not afford by any freak or folly to forfeit the position to which we have thus triumphantly attained.

Need any one doubt where Theodore Roosevelt as candidate for the Presidency gave the American people to understand that he stood in relation to tariff revision?

"We can not afford by any freak or folly to forfeit the position to which we have thus triumphantly attained." Thus does the President drive home "the Roosevelt idea" as to tariff revision. The President does not claim—no one does—that the tariff may not need revision at some time in the future, but in all his speeches and messages to Congress up to this good hour he has taken special care to impress upon the American people the earnestness of his opinion that that time has not yet arrived.

This is precisely the position of the so-called "stand-patters."

ROOSEVELT ON RECIPROCITY.

In his speech of acceptance Mr. Roosevelt said:

We believe in reciprocity with foreign nations on the terms outlined in President McKinley's last speech, which urged the extension of our foreign markets by reciprocal agreements whenever they could be made *without injury to American industry and labor.*

Mr. Chairman, it is worthy of special note that in thus referring to the reciprocity ideas in the last speech of our martyr President at Buffalo, President Roosevelt administered a stinging rebuke to those who have endeavored to pervert McKinley's speech to their own ends. In the words that I have quoted, President Roosevelt has given the kernel of the McKinley idea. This is the Republican idea, the doctrine enunciated in the Republican national platform as interpreted by President Roosevelt.

WHAT FAIRBANKS SAID.

Under our Constitution we have first in line of succession to the Presidency in case of the President's disability the Vice-President, chosen at the same time and in the same way as the President. We have learned from sorrowful experience that the man chosen for the Presidency may not be permitted to serve out the term for which he has been elected. In making provision for such a possibility the wisdom and foresight of the fathers in framing the Constitution have again been demonstrated.

In view of the possibility of his succeeding to the Presidency, as contemplated by the creation of the office of Vice-President, it is of interest and importance to the American people to know the attitude of the nominee for the Vice-Presidency. So he, like the nominee for the Presidency, is formally "notified" of his nomination by a committee from the National convention. And he, too, is expected to make a speech of acceptance and later to send a letter of acceptance.

The Republican candidate for the high office of Vice-President in 1904 was CHARLES WARREN FAIRBANKS of Indiana. Let us now examine the record and see what Mr. FAIRBANKS said to the American people as to his understanding of the meaning of the platform which contained the pledge on which he sought their support.

Regarding tariff revision, Mr. FAIRBANKS said in his letter of acceptance, dated at Indianapolis, September 21, 1904:

A revision of duties should be made only when conditions have so changed that the public interest demands their alteration, and they should be so revised as to preserve and not destroy the protective principle.

As to reciprocity, Mr. FAIRBANKS, long chairman of the commission charged with the adjustment of our differences with Canada, and therefore a man of large and valuable experience in such matters, said:

Commercial reciprocity with foreign countries "consistent with the principles of protection" has long been one of the well recognized policies of the Republican party.

SUMMARY.

From this brief but comprehensive review, Mr. Chairman, it will be seen that the Republican doctrine of protection, as authoritatively enunciated and interpreted, is embodied in three controlling fundamental ideas, namely, the permanency of the protective tariff policy, ample adequacy of tariff rates, and stability of tariff laws. It will also be seen that the supplementary Republican doctrine of reciprocity—the supplementary doc-

trine of reciprocity, Mr. Chairman—demands that all reciprocal arrangements must be in complete and absolute harmony with these controlling fundamental ideas of protection.

That is the doctrine enunciated in our national platform as interpreted by our candidate, the doctrine on which we were intrusted with power; and party honor demands that in administering the Government we, in good faith, carry out that doctrine in letter and in spirit.

That was the Republican doctrine in 1904; it is the Republican doctrine now. I approved it in 1904, and I approve it now. I contended for it in 1904, and I propose to contend for it in the coming campaign.

I shall now tell why I approve it and why I deem it my patriotic duty to do my utmost to have it understood and approved by the people of the United States now as then.

Mr. Chairman, the Republican national platform, as we have seen, is clear and definite, compact and comprehensive, straightforward and manly. It says what it means, and it means what it says.

Mr. WALLACE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. McCLEARY of Minnesota. Mr. Chairman, I shall ask not to be interrupted until I have finished my line of thought. If I have time then, as I hope to have with the generous allowance of time that I understand has been granted me, I shall not only be willing but desirous of trying to answer any questions that occur to my friends on the other side. I am trying to make a comprehensive argument, and if he will wait I think my friend's question will in regular course be answered.

Mr. WALLACE. Just one question.

Mr. McCLEARY of Minnesota. Very well. My friend is so considerate and gentlemanly always in his own demeanor that I can not decline to yield to him.

Mr. WALLACE. One question only. Since I dropped into the Chamber it occurs to me that the gentleman has undertaken to defend the President of the United States in regard to the tariff question. Is the gentleman now going to give his own opinions about it? If he is, I am assured that I shall be pleased with those opinions as coming from a standpatter, as I believe the balance of the House will.

Mr. McCLEARY of Minnesota. I have just about reached the point where I propose to give my own opinions. Mr. Chairman, I can assure the gentleman that he will get them just as straight as I know how to give them. [Applause.]

My good friend from Arkansas, of whom I am very fond, says that I have undertaken to defend the President. I am glad he has suggested that. That is precisely what I have not undertaken to do, however agreeable the task might be. I have been laying down as a foundation for my argument certain propositions, namely, that in a government of the people divided into two great parties, whose candidates are nominated by popular conventions and whose party faith is stated in national platforms, it is right and proper that those platforms should be specific in their statements, clear and definite in their meaning; and I have shown that we get the official interpretation of those platforms from the men who are chosen as candidates, because they are recognized as the best embodiment of the ideas for which the respective parties stand. It was as the candidate of the Republican party in 1904, and not as President then or as President since, that I have quoted Theodore Roosevelt. [Applause on the Republican side.] His being President is a mere incident. With all due respect to his great personal worth and to the high office that he holds, it is not Theodore Roosevelt the man, nor Theodore Roosevelt the President, that I have been quoting. It is Theodore Roosevelt the nominee of the Republican party, and therefore the accredited interpreter in his letter of acceptance of the meaning of the Republican platform, that I have been quoting. Principles are more important than men. A man in any station in life is important largely by reason of the principles for which he stands and the way in which he stands for them. Representatives and Senators and Presidents are all short lived, but the nation endures. Our great fundamental institutions must be preserved. We are trustees who are in honor bound to hand them on unimpaired to those who come after us. This is the thought underlying what I have been saying. [Applause on the Republican side.]

Mr. WALLACE. In my judgment you are one of the best of the stand-patters, and I want to get your own opinion.

Mr. McCLEARY of Minnesota. All right, my friend, you will get it straight.

THE DEMOCRATIC PLATFORM.

I think my Democratic friends themselves will hardly contend that in the platform of 1904 they came up to their own standard of frankness. Here is their declaration regarding the tariff:

We denounce protection as a robbery of the many to enrich the few, and we favor a tariff limited to the needs of the Government, economically, effectively, and constitutionally administered, and so levied as not to discriminate against any industry, class, or section, to the end that the burden of taxation may be distributed as equally as possible.

Well, I do not know any American citizen who would not say "amen" to all of that except the first statement. Except in that first statement, wherein is any issue stated?

We favor a revision and gradual reduction of the tariff by the friends of the masses—

"By the friends of the masses," which of course our Democratic brethren assume to be. History records a different verdict, so our Democratic brethren feel under the necessity of making the claim—

and for the common weal, and not by the friends of its abuses, its extortions, and its discriminations, keeping in view the ultimate end of equality of burdens and equality of opportunities, and the constitutional purpose of raising a revenue by taxation, to wit, the support of the Federal Government in all of its integrity and virility, but in simplicity.

Now, will some good Democrat tell me, in his own time, what he understands that to mean—what sort of a policy relating to the tariff that enunciates?

THE DEMOCRATIC PLATFORM OF 1892.

In 1892 our Democratic brethren, under the leadership of Grover Cleveland, had the courage of their convictions. In that platform they said:

We denounce Republican protection as a fraud—a robbery of the great majority of the American people for the benefit of the few.

Note how our Democratic brethren always refer to protection as "robbery." This is significant of their real attitude.

We declare it to be a fundamental principle of the Democratic party that the Federal Government has no constitutional power to impose and collect tariff duties, except for the purposes of revenue only—

And, my Democratic friends, in all frankness, you should either hold to that word "only" or drop it, one or the other. If you hold to it, there is some point to what you say. If you drop it, your declarations on the tariff are absolutely pointless—

and we demand that the collection of such taxes shall be limited to the necessities of the Government when honestly and economically administered.

Well, all men believe in honest and economical administration. In this connection I may say that during my six years of service on the Committee on Appropriations I could not discover any difference between a Democrat and a Republican when it came to an appropriation. [Applause.]

Now, Mr. Chairman, that declaration in favor of a tariff "for revenue only" raises the real question of the tariff.

THE BLACKSMITH'S QUESTION.

In going around my district for the purpose of meeting my friends, which you all know to be prudent as well as pleasant for a Congressman, some two or three years ago I went to the shop of a blacksmith. Like Longfellow, I like blacksmiths. I have found them, as a class, very intelligent men.

As I entered the door the blacksmith came forward and extended his hand, saying, "Mr. McCLEARY, I was just thinking about you, and I made up my mind the next time I saw you I would ask you a question. Why in the world don't you Congressmen do away with the tariff altogether, and then we would avoid all this fuss every little while about the tariff question?"

I said, "My friend, what makes you think that Congress could do away with the tariff?"

He answered, "I am not willing to confess that any other country can do anything that our country can not do."

I inquired, "What do you mean by that?"

He said, "Great Britain has free trade; why can not we have free trade?"

Then I asked, "What do you understand when you say Great Britain has free trade—that she has no custom-houses and collects no money from the tariff and no duty on imports?"

"Why," he said, "of course, anybody would so understand."

I said, "I do not blame you for thinking so. But would you be surprised if I told you that England has custom-houses? Would you be surprised if I told you that she has a tariff system? Would it change your opinion any if I should tell you that in proportion to population she collects more money every year from duties on imports than we do?"

He scratched his head and said, "I should say that I would be surprised. Is that so?"

I answered, "That is absolutely and literally true."

During her fiscal year ending March 31, 1904, according to the Statesman's Year-Book, Great Britain collected from duties on imports £33,921,323, or about $169,000,000. She has about 40,000,000 of people. So in that year she collected from duties on imports about $4.25 for every man, woman, and child within her borders. During our corresponding fiscal year, ending June 30, 1904, we collected $261,274,565 from duties on imports.

As we have more than 80,000,000 of people, we collected from tariff duties only about $3.25 per capita.

In other words, Great Britain collected at least a dollar per capita from duties on imports more than we collected.

Mr. WILLIAMS. You mean, of course, that the Government collected that?

Mr. McCLEARY of Minnesota. Yes, of course; I mean that the Government collected that.

"Well," said my blacksmith friend, "tell me more about that. What is the difference between their plan and ours, then?"

I answered, "My friend, all of the goods that come into a country may be divided into two great classes—goods the like of which the people of that country can produce and goods the like of which the people of that country can not produce."

Take steel; we have the iron mines, and we have the facilities for converting iron into steel and steel products. So that if steel comes into this country from some foreign land it comes into competition with one of our products. Therefore, we call steel a "competing" article. Tea, on the other hand, we do not produce. We can produce it, of course, in a hothouse, but no Republican understands that that is "production" in the economic sense. When we say "produce," we mean produce economically and in sufficient quantities to supply the American market, or nearly so. We can not produce tea economically, and we can not produce it in sufficient quantities to control the price in our country. Therefore, tea is to us a "noncompeting" article.

The same is also true in Great Britain. They produce steel, and steel is to them, as to us, a competing article. They can not produce tea, and therefore tea is to them, and to us, a noncompeting article. In both countries steel is a competing article and tea is a noncompeting article.

Now, they lay their duties on noncompeting articles and let the competing articles in free. We—when the Republican party is in power—lay our duties on competing articles and let the noncompeting articles in free.

Last year we admitted absolutely free of duty goods from foreign countries of the value of $530,464,135. Ask a Brazilian which country has free trade, Great Britain or the United States, and without an instant's hesitation he will say, "The United States of America, of course." If you ask him why he says so, he will tell you, "Why, when I send my coffee to Great Britain, I have to pay a heavy duty upon it, but when I send it to the United States I do not have to pay a cent of duty upon it. So, from my standpoint, it is the United States that has free trade, and not Great Britain." Ask a Jap which country has free trade, and thinking of his great product, tea, without an instant's hesitation he will say, "The United States of America has free trade, and not Great Britain." You ask him why he says so, and he will tell you, "When I send my tea to Great Britain, I have to pay 12 cents duty upon it. When I send it to the United States, I do not have to pay a cent of duty upon it. From my standpoint, the United States has free trade, and Great Britain has high duties."

As a matter of fact, neither country has "free" trade. Each country raises enormous sums of money through duties on imports. In fact, in each country the custom-house is the chief source of national revenue. But what one of these two countries puts upon the free list the other puts on the dutiable list. England puts a duty on tea and coffee and other "noncompeting" products; we let them in free of duty. Steel and wheat and butter and other competing articles are on her free list and on our dutiable list.

ORIGIN OF TERM "FREE TRADE."

"Well," asked my blacksmith friend, "why in the world do they say, then, that Great Britain has free trade?"

I answered: "My friend, that is simply a catchword. Away back sixty-odd years ago when Cobden and his friends were trying to prevail upon the people of Great Britain to change the tariff policy that had been theirs for hundreds of years and adopt the policy he was advocating, he had to invent a catchy title for his idea, and called it 'free trade.' As a matter of fact there is no such thing in the world as free trade among nations, such as we have in this country among our States. That is, no country in the world admits free of duty all kinds and classes of goods. On the other hand, every country admits free of duty certain classes of goods. In other words, every country has a "free" list and a "dutiable" list of goods.

Cobden invented for his doctrine the catchy title "free trade," just as our Democratic friends adopted a few years ago the very catchy title "free silver." You remember what the Irishman who attended a meeting of Mr. Bryan said. After Mr. Bryan got through, the Irishman went to Mr. Bryan and said: "Mr. Bryan, I have listened to your remarks with a great deal of interest. I believe you are right. I am going to vote for you. I want you to be elected. I believe you will be, for I believe you are a friend of the common people. Now, when you are elected, and when we get free silver, will we have to go after it or will you send it to us?" [Laughter.]

That is an old story, but it illustrates the mental attitude of many people at that time. No representative Democrat said that silver would in fact be "free" in the sense which the Irishman understood the matter. But there was something in the phrase that made men feel that if we had "free silver," somehow it would be easier to get hold of money.

Just so over in Great Britain sixty-odd years ago, when Cobden and his friends were asking the people to overturn a system that had prevailed there for centuries, they adopted for their idea the delusive but seductive title of "free trade." And the British people adopted this doctrine under the impression that with "free trade" goods would be easier to get hold of.

In this connection I am reminded of my friend from Tennessee, JOHN WESLEY GAINES, a gentleman for whom I have great respect and affection, a worthy Representative of a great district, who in a speech made a month or two ago quoted some Republican as saying that as the world progressed obstructions to trade should and would grow fewer. Permit me to remind my friend that the "obstructions" are just as many in Great Britain as in the United States. The British simply place them before different classes of articles.

WHY WE HAVE THE TARIFF.

But my friend the blacksmith said, "That story is very interesting and instructive, and I am much obliged to you for telling me the facts; but you have not answered my question." He had that most admirable quality, tenacity and continuity of purpose. He knew what he wanted and stuck to his purpose to get it. He said: "What I asked you was, Why don't you Congressmen, who make our laws, blot out the blamed old tariff altogether? Then we would not have these tariff debates every few years that stir up so much feeling."

I said: "My friend, you have now got down to bed rock. Let us see if upon that rock we can build a house, so that it may withstand any storm that may beat upon it."

"My friend," I asked, "what is the name of the country in which you live?" Straightening up, he said with pride: "The United States." I asked, "What is the significance of those two words—United States?" "Why," he answered, "I suppose they mean States united." "Now," I said, "you have got to the bottom fact, the bed rock of this matter. Let us lay our foundation on it and then patiently build our mental house, doing a thorough job."

Every American in this country, outside of the District of Columbia or a Territory, lives under two governments—the government of the State and the Government of the United States. This is the most important fact in our system of government. The Union of the American States, that wonderful wedding of local independence with national strength, is to-day, as heretofore, the most precious secular possession of this world. Hundreds of thousands of human lives were offered a willing sacrifice to preserve it, and thousands of millions of human treasure were freely given that it might not perish; yet it was and is worth infinitely more than it has cost. [Loud applause.]

Now, as the basis for my answer to my blacksmith friend, a story: A father had his son out in the wood shed administering paternal justice. After he got through, he stood the boy up and sternly asked him: "Now, my son, do you know why I whipped you?" With tears in his voice, as well as in his eyes, the boy answered, "Yes, sir." His father again asked him sternly, "Why?" The boy, rubbing his eyes, answered, "Because you are bigger than I am." [Laughter.]

There is a notion in the minds of many of our people that the Government levies taxes simply and only because it is bigger than we are. Hence opposition to taxation seems almost instinctive. Bad men may misuse this fact. But I tell you, my countrymen, in these days of hysteria, it is a patriotic duty to go out and set the matter right, to state the matter so clearly that the people can not help understanding it, that there is a moral basis for taxation. Let it be understood that the Government has no more right to take a dollar out of a citizen's pocket without earning it than another citizen has, and that every public servant worthy of the name appreciates and approves that view.

WHAT THE STATE DOES.

Now, what does the State do for you? Let us see. It is the State, and not the United States, that protects your life. The United States has no more to do with it than France or England, or the man in the moon.

If, going from your office to your home in the town in which you live, some one were to attack you, would the United States

take any cognizance of that attack? Not at all. The man who attacked you would be arrested, not by a United States marshal, but by a State officer called a sheriff. He would be tried, not in a United States court, but in a State court. If the case against him were brought in a United States court, it would be at once thrown out on the ground that the court had no jurisdiction of the matter. The man would be tried in a State court, and if he were convicted and condemned to the penitentiary for the offense he would be sent, not to Atlanta, Ga., or to Leavenworth, Kans., to a United States penitentiary, but to the State penitentiary in the State where the offense was committed.

It is the State, and not the United States, that protects your property. I here use the term "property" in its ordinary sense, as a common man uses it, not in the technical sense in which a lawyer might use it. I use it now to cover houses and lands, horses and cattle, stocks and money, and such things as that, which we ordinarily mean when we say "property." If some one were to break into your house and steal some of your property, he would be arrested by a State officer, tried in a State court, and punished in a State penitentiary. The United States would not touch the case at all. Its court would hold that it had no jurisdiction in the matter.

As the State protects your person and your property, it has the moral, legal, and constitutional right to charge you for that service by laying a tax upon your person or your property or both. The basis of the tax, therefore, is a moral one as well as a legal and constitutional one.

WHAT DOES THE UNITED STATES DO?

Now, how about the United States? What does the United States do? What do we have this General Government for? Why do we have the United States? Why did the States unite instead of remaining separate? They did it on the principle that in union there is strength. They did it in order that they might present to foreign countries the strongest front possible.

Fundamentally, then, the United States looks outward and not inward. The United States has to do primarily with our international relations.

It is the United States that has the Army. There is no such thing as a State army, in the proper sense. There is the militia, and they are a part of the reserve, perhaps, of the nation; but the men who compose that militia are primarily citizens performing the ordinary duties of citizens. Knowing that the country may need their services some time in the future, with patriotic foresight they prepare themselves to act worthily their part when the time shall come. But they are citizens, not soldiers. It is the United States that has the Army. Our Constitution forbids the several States to have a standing army. And it is the United States that has the Navy. You never saw, and never will see, a State navy. In our system that is forbidden.

But the Army and Navy suggest war, and our normal condition is that of peace. This country is built upon a great pacific principle, a principle that is yet destined to dominate the earth and teach the world how to live without war.

Our normal condition, I say, is that of peace. What are our relations with foreign countries during times of peace? Why, we trade with them; we send to them of our surplus, and we buy from them the things that we can not produce. And it is the United States and not the States individually that supervises, regulates, controls, and makes safe that international commerce. Now we have found where the United States renders a service. At that same instant we have found where the United States has a moral right, as well as a legal and constitutional right, to charge for the service rendered. The General Government must find its pay where it does its work, namely, from taxes on international trade.

Goods may go out of the country or goods may come into the country. In practically every country in the world except ours the government is authorized to charge a "duty" on goods going either of those ways. But under our Constitution duties on exports are substantially and practically forbidden.

Therefore it follows that the only goods upon which this charge can be made are the imports.

Mr. Chairman, from the foundation of our Government we have always had duties on imports and so long as this remains a Federal Republic we always shall have them; they are and always will be the chief source of revenue for our National Government.

Under our Constitution Congress is authorized to "lay and collect taxes, duties, imposts, and excises"—not only the imposts, but internal-revenue taxes, and we exercise that power as to whisky and tobacco, and so on.

Under the Constitution the General Government has this supplementary source of revenue, the internal revenue, but up to the civil war we hardly used that power. It was the understanding of "the fathers" that the tariff should be and remain the chief source of our national revenue, and that the "excises" should be resorted to only when the tariff failed to furnish sufficient revenue.

Mr. Chairman, I am in favor of a tariff which, while raising this revenue, also gives protection to American industry. I favor a tariff of the American type, laid on competing products, and not a tariff of the British type, laid on noncompeting products. I favor a tariff for revenue "plus protection," and not a tariff for revenue "only."

REVENUE TARIFF POSSIBLE WITHOUT PROTECTION.

In his recent four-hour speech on the tariff, my friend, the gentleman from Mississippi [Mr. WILLIAMS], the worthy leader of the Democracy on this floor, said—page 6366 of the RECORD:

> The Democratic party, while it has used the words "free trade" in a loose manner in several platforms, has never yet enacted or attempted to enact a free-trade tariff law. It could not, under our constitutional limitations, if it wanted to.

A little further down on the same page he said:

> The present British tariff is a tariff for free trade.

Mr. Chairman, the gentleman from Mississippi thus positively declares that under our Constitution we could not enact a tariff like that of Great Britain. When in a carefully prepared speech in this House, with a due sense of the responsibility resting upon him as the leader of a great party on this floor, a man of the high character of my friend from Mississippi, with his lifelong study of these questions and with his scholarly attainments, makes a statement so egregiously wrong as that, I feel fully warranted in having taken the time that I have thus far taken in laying the foundations for my superstructure with the care that I have.

To repeat, for it seems to need repeating, the difference between the tariff system of the United Kingdom and that of the United States is essentially this: That in Great Britain the import duty is laid on noncompeting articles, and most competing articles are admitted free of duty; while, by contrast, in the United States, under Republican policy, the duty is laid on competing articles, and noncompeting articles are, in times of peace, admitted free.

The British tariff is "for revenue only." There is no atom of protection in it. It is true that import duties are laid on a few competing articles in England. But in order that the English producer of such articles may have no advantage over the foreign producers of those articles, the home producer is required to pay on those products an internal-revenue tax sufficient to take from him all advantage over the foreign producer of such articles selling in the British market. The British tariff system, I repeat, is in no sense one "for free trade." It is a tariff which produces enormous revenue, but which affords to British producers no atom of protection. It is strictly a nonprotective tariff, a tariff "for revenue only."

If "protection is robbery," incidental protection must be at least petty larceny. And if they believe what they say, our Democratic brethren can not conscientiously be a party to any system that has an atom of protection in it.

I propose now to show them how, in perfect harmony with the Constitution, they can make their acts harmonize with their words, their performances with their platform promises, which the gentleman from Mississippi [Mr. WILLIAMS] has substantially declared to be impossible.

Here in my hand I hold a very valuable publication of the United States Bureau of Statistics. It is called the Monthly Summary of Commerce and Finance of the United States. As the name indicates, this publication is issued once a month. This volume is the number for December, 1905. Its two hundred-odd pages are full of information, up-to-date information, for careful students of questions of national finances. Here on page 2003 I find a summary of the imports and exports of the United States for the calendar year 1905. Here are the figures relative to imports:

Value of total imports of merchandise	$1,179,135,344
Value of goods admitted "free"	530,464,135
Value of "dutiable" goods	648,671,209

Let us analyze these figures more in detail, remembering that both Democrats and Republicans believe in putting a duty on "luxuries," whether competing or noncompeting. Let us analyze these imports into three groups, as follows:

Value of "noncompeting" articles	$530,464,135
Value of luxuries	146,804,389
Value of "competing" articles	501,867,820

Now, what Republicans do is to lay the duty on the last two groups—luxuries and competing articles—letting the noncompeting articles come in free. This gives revenue and protection.

If the Democratic party is sincere in declaring all protection "robbery," and if the Democratic party really desires to enact

a tariff law so as to produce "revenue only"—that is, revenue without protection—all in the world that it has to do is lay the duties on the first two groups, the noncompeting articles and the luxuries. That would give revenue without protection.

Under the Republican system, laying the duties on the last two groups, there are $648,671,209 worth of goods on which to raise the revenue. Our Democratic brethren, by laying the duties on the first two groups, would have goods to the value of $677,208,524 on which to raise the required revenues. That is, our Democratic brethren would have a larger value of merchandise on which to raise the national revenue, and could thus get along with a lower rate of duty than we.

And now, my Democratic brethren, having shown you how you can secure the revenues required by the Government without being guilty in the slightest degree of "protection robbery," having shown you what you seem to believe to be impossible, namely, how you can have in this country a tariff "for revenue only," I challenge you to say that if elected to power you will "keep the faith" and do as you have so often expressed yourselves as desiring to do. Do you dare take up the challenge? You know that you dare not. Then why, as honorable men, as most of you are, do you keep up the old foolish talk about a tariff "for revenue only," and why do you utter that other equally foolish talk about protection being "robbery?" [Applause on the Republican side.]

Mr. GAINES of Tennessee. Will my friend enumerate the articles that we do not produce that are brought in free?

Mr. McCLEARY of Minnesota. Tea, coffee, rubber, spices, and many other such things. My friend from Tennessee will find the full list of them, the quantity and value of each, the countries from which they are imported, and so on, set forth in detail in the Monthly Summary to which I have referred. This is a Government publication, and my friend can get it "free" by addressing Hon. O. P. Austin, Chief of the Bureau of Statistics, here in the city. It is well worth having and studying.

HOW DEMOCRATIC TARIFF BILLS ARE CONSTRUCTED.

The trouble with the Democratic party in relation to the tariff is this: In making a tariff law that party has no fixed principles by which to be guided. It talks "free trade" and tariff "for revenue only," and mouths loudly about "protection robbery," but it has never yet formulated in its own mind any consistent policy, based on fundamental principles. The only way that the Democratic party knows for making a tariff law is the one suggested in another connection by our old friend John Allen, of Mississippi, long a Member of this House, and one that everyone remembers kindly. Speaking of the way the rivers and harbors bill used to be made up, John used to say that "the members of the Rivers and Harbors Committee put into the bill all the things that they want, and then they let in enough other fellows to pass the bill." [Laughter and applause.]

Having no fixed principles to guide them in framing a tariff bill, our Democratic brethren are governed wholly by "interests." The big end of the party is in the South, so the party performances are governed by the South. In every Democratic tariff bill southern interests are always amply protected, and enough northern industries are given protection to "pass the bill."

Wherever there happens to be a northern Senator of Democratic faith, his northern industry will be taken care of. If he happens to live in a section, for example, where collars and cuffs are an important industry, he will tell his Democratic brethren that if they want his vote there must be a good stiff duty on collars and cuffs, and, regardless of the "policy" being advocated by the Democratic party, his wishes will be complied with.

Democratic tariff laws are based wholly on interest, not at all on principle. They are always based on local and sectional considerations, never on national considerations. That is one reason why the country does not permit the Democratic party to have control of the Government more often than about once in a generation. One experience is enough to satisfy each generation. The Democratic party is not given another chance until a majority of the voters is composed of people who can not "remember." [Applause on the Republican side.]

Protection carefully looks after the interests of the whole people, north and south, east and west. Protection is a consistent national policy that knows no sections and no favored interests. It protects the rice of the South as fully and carefully as it protects the barley of the North. It protects the products of the farm just as it protects the products of the factory. It is based, not on little local short-sighted selfishness, but on that larger and wiser selfishness which embraces the nation, and which we call patriotism. [Applause the Republican side.]

PROTECTION IS MORAL, NATURAL, AND NONSOCIALISTIC.

From what I have said it is seen that protection is based on sound moral principle as well as on sound economic principle.

Protection is moral. It says to the foreigner who desires to enter this market in competition with our own producers: "You do not live here. You carry none of the burdens of this country in peace or in war. You have no right to free admission to our market to compete with us, for in such a competition we would be handicapped. You would have all the advantage. This would not be fair or right. We pay our workingmen higher wages than you do. If you wish to compete with us in our own market, you must at least pay enough toward the support of our National Government to equalize the difference in cost of production." Beyond question this is morally right.

Protection is natural. Trade is naturally between people producing unlike things. It is not natural for a farmer to go to the store to buy eggs and vegetables. These he ought to produce at home. But it is natural and proper for him to buy at the store tea and coffee and other articles such as he can not produce himself. So with a nation. It is natural and proper for the people of a country to buy abroad the things that the country is unfitted to produce. But it is unnatural for the people of a country to be buying abroad things that they can produce at home economically and in sufficient quantities to supply the home market. And so the policy of protection makes easy the introduction of goods the like of which the country can not economically produce, and levies its tariff duties on goods the like of which we can and should produce for ourselves.

As the revenues of the Government must be largely derived from duties on imports, the Republican policy does the natural thing, while the Democratic British policy of a tariff "for revenue only" does the unnatural thing. The Republican policy of revenue plus protection follows and encourages the natural course of exchange—that is, the policy of buying only what we can not produce. The Democratic British policy runs counter to the natural order by rendering difficult the exchanges of unlike productions, while it encourages the unnatural practice of buying what we should ourselves be producing.

Protection is neither socialistic nor paternal. Protection is not in any sense socialistic, except as all government is socialistic. Protection's purpose is to preserve for the people of this country the opportunities which Providence has so bountifully bestowed upon us, and to preserve to our own people the markets which our own industry and high standard of living have developed. In other words, the object and purpose of protection in this country is, while raising for the Government of the United States the required revenue, to preserve to our own people the opportunities that naturally and properly belong to them. "Free trade" with other nations, such as we have among our States, we can not have and do not want. And it is no more socialistic or "paternal" to lay duties on competing articles than it would be to lay the duties on noncompeting articles, as is done in England and as our Democratic brethren talk about doing here. So far from being socialistic, protection aims to develop individualism, to widen opportunity for our people; to give every American citizen the best possible chance to ascertain what he can do best, and then give him the fullest possible opportunity for doing that thing under the most favorable circumstances that are humanly possible.

PROTECTION IS NOT "A LOCAL ISSUE."

One of the commonest of delusions concerning the protective-tariff policy is that it "plays favorites." This is precisely what it is not intended to do. Even among men who claim to be protectionists is this mistake made. In fact, to some people protection is a system of favoritism of which they are the only proper beneficiaries. There are a great many men who demand protection for their own products who are unwilling to grant protection to other men's products. "Protection for what I produce, but free trade for what the other fellow produces protection for what I have to sell, but free trade for what I have to buy," is one of the easiest mistakes to fall into. The man who advocates that is not a protectionist. He is simply a short-sighted and selfish man, so short-sighted that his selfishness would defeat itself.

There are manufacturers in the East who demand what they are pleased to call "free raw materials," but they also demand protection for their manufactures. Certain of the manufacturers of woolen goods would like to have "free wool," but they wish to have protection continued on woolens. Certain shoe manufacturers would like "free hides," but they desire the continuance of protection on shoes. And in the West there are farmers who desire protection on butter and eggs, on barley and wheat, and on other products of the farm, but who

get led away by the demagogic cry of "free" manufactured goods of different kinds.

All these people belong in the same class. They are simply short-sighted and selfish people, who would like to have the Government run in their special interest. They seem unable to understand the simple fact that Uncle Sam can not properly favor some of his nephews at the expense of others of those nephews. Everyone must have a "square deal." Protection is a consistent national policy; not a selfish sectional scheme. It must apply fairly and adequately to every American industry or it ought not to apply to any. The poor and the rich, the weak and the powerful, individuals and corporations, the farm and the factory, the industries of the North and the South, of the East and the West—all must be treated in accordance with the same principle. That is the only fair and right rule for the Government to adopt. That is the spirit which underlies and animates the doctrine and policy of protection. [Applause.]

THE MEASURE OF PROTECTION.

According to the Republican national platform of 1904, the measure of protection "should always at least equal the difference in cost of production at home and abroad." Special attention is invited to the two expressions "always" and "at least." These are the key to the meaning of the declaration of the platform.

The word "always" expresses the Republican view of the permanency of two ideas, namely:

First, the permanency of the protective tariff, based on the permanency of our Federal system, which renders it necessary for us to raise our Federal revenues chiefly through the tariff, as I have shown; and on the fact of our having a higher standard of living than any other country, which standard we wish to preserve, making the protective tariff necessary "always."

Second, the permanency of the measure stated in the platform. Note the language carefully. The measure of protection "should always"—not part of the time, but "always"—be how high? "*At least* equal to the difference in cost of production at home and abroad."

Suppose you were a railway manager and you were going to construct for your company a bridge. Would you say to the company's engineer, "Make plans for a bridge just strong enough to sustain an average train?" You would not think of doing such a thing. You would give orders for the construction of a bridge strong enough to sustain the heaviest train that it would ever be called on to carry, and then you would provide an ample margin of safety beyond that.

Suppose that you were a member of the city council of a municipality located in a narrow valley, through which flowed a considerable stream, which it was desired to dam above the city for some purpose. Would you deem it wise to construct the dam just high enough and just strong enough to suit the ordinary flow of water? Or would you think it wiser to have the dam so constructed that it would not only be equal to ordinary conditions, but also ample to protect the city below during the floods and freshets that are sure to come periodically? The people of Johnstown, Pa., could answer this from sad experience.

As to either the bridge or the dam there can be only one sensible answer. And, according to Republican doctrine, the same policy should govern the making of a tariff bill. The protection given in the bill should be ample not only for ordinary conditions, but it should also be sufficient for extraordinary conditions in other countries that are sure to arise from time to time.

EXACT MEASURE IMPOSSIBLE TO MAINTAIN.

It is impossible to fix and maintain a tariff that shall measure the exact difference in cost of production at home and abroad.

In the first place, it is impossible to ascertain the exact difference in cost of production even as to one country. And if you had that, it would not necessarily measure the difference as related to another country. The rate of duty that would measure the difference in cost of production between England and this country would not do for Germany and this country, wages in Germany being lower than in England and the skill of the workmen at least as great. And the measure of protection that would be sufficient as against Germany would not be sufficient as against Japan. And let me warn my countrymen not to forget that wonderful little insular country on the farther side of the Pacific Ocean. Japan is copying our best machinery, and her people are wonderfully apt in learning all kinds of industrial arts. It would not surprise me if within a very few years we have more to fear from competition from that direction than we have ever had to fear from the competition of Europe. Hence it behooves us now to get sound ideas as to the need of protection and the proper measure of it. No more patriotic service can any man render at this time than to reach a right conclusion himself and then devote his time and talents to helping the people of the United States to reach the same wise conclusion.

We can not determine the rates on any article that will at any time furnish the exact measure of protection. And if we could possibly know enough to fix such rates to-day, they would not be correct when Congress reassembles in December. What, then, is the sensible thing to do?

A real protectionist believes in protection that always protects. If a man half believes in protection he will be willing to fix the rates in the several schedules at the borderland of protection, so that there shall be a sort of protection during a spell of industrial fine weather. But what would happen in time of industrial storm, the time above all others when we need the protection most? The more we examine the question with candid mind the more we will see the wisdom of the tariff declaration of the Republican national platform of 1904, and the more we shall appreciate the significance and importance of the words, "always, at least."

IS THE TARIFF ADDED TO THE PRICE?

"But do not high duties necessarily mean high prices for the things that we have to buy?" By no means. In my tariff speech of two years ago I undertook to show, and I think that I succeeded in showing, that low duties and instability of policy result in violent fluctuations with average high prices for manufactured goods; while, on the other hand, duties furnishing amply adequate protection, with stability of policy, result in low average prices for manufactured goods. That argument I shall not repeat now, but shall content myself with referring to it. If I were discussing the matter now I would not know how to better the statement then made.

Mr. Cleveland in his famous tariff message of 1887 declared that the tariff is a tax and that it increases the cost of dutiable goods to the consumers by the precise amount of the duty, or words to that effect. That is substantially true in England, and it would be true here if we were to adopt the British system of a tariff "for revenue only." It is true in England because the duty is laid on noncompeting articles. Under such circumstances the price is fixed largely by the foreigner who sends the goods there. He is able to fix the price at which he shall sell, because there are no domestic industries in the same line to compete with him in the English market. And, as I shall show if I have time, this is precisely the condition most favorable to "price-fixing" combinations or "trusts." If I do not reach it, Mr. Chairman, I recommend the careful reading of the chapter on "Trusts" in that most excellent work, "Protective Philosophy," by David Hall Rice.

During the discussion of the tariff question in 1892, this inquiry came up, and in answer the following table of duties under the McKinley law, then in operation, and the wholesale prices of the goods in American markets was prepared.

This table, whose correctness has never to my knowledge been disputed, shows that American prices of products are often less than the duty on them, so that under our protective tariff the duty is not "added to the price."

Articles.	Quantity.	Duty.	American wholesale price.
Wire nails	Pound	$0.02	$0.01 45/100
Handsaw files	Dozen	.75	.48
Salt	Bushel	.33⅓	.28
Bunting	Yard	.22	.20
Lead pencils	Gross	.60	.45
Chewing tobacco, 2-ounce packages	Package	.06	.05
Playing cards	Pack	.50	.19
Tissue paper		.65	.58
Calicoes	Yard	.05	.03½
Cotton and wool challis	do	.09½	.07
Shirting prints	do	.05	.05
6-pound wool blankets	Each	1.38	1.32
Carpets	Square yard	.64	.50
Cheviots	do	.65	.42
Ladies' wool dress goods	do	.20 35/100	.16 55/100
Smyrna rugs	Each	2.80	2.49
Calico aprons	Yard	.05	.04½
Workingmen's shirting	do	.05	.05
Flannel shirts	Each	1.80	.69
Cotton and wool dresses	do	1.79	1.80
Boys' pants	do	.43	.27
Cotton handkerchiefs	Yard	.05	.04
Moquette rugs	Each	1.05	1.00
Blankets	do	.95	.90
Cloaks (cheap)	do	5.13	3.98
Comfortables, cotton wool	do	1.31	1.00
Workingmen's trousers	do	.92	.89
Boys' suits	do	1.24	1.20
Girls' dresses, cotton and wool	do	1.79	1.80
Working girls' dresses, wool	do	4.13	3.98

WHO PAYS THE PROTECTIVE DUTIES?

As to the question, "Who pays the duty under the protective system?" the following testimony from the London Trade Review for September, 1892, gives good "free-trade" testimony:

The board of trade returns for the past seven months are significant, inasmuch as it will be found on analysis that the value of British and Irish productions exported has fallen in a much greater ratio than the quantity. This seems to imply that the recent additions to foreign and colonial tariffs have compelled the producers of this country [England] *to sacrifice prices in certain cases about equal in amount to the rise in these tariffs.*

One effect of protection, such as foreign countries are now presenting and enforcing *against our efforts*, is that they often get what they want of our goods at reduced prices and a contribution to their revenues at the same time. If there were no such tariffs the reverse effects would follow. *Our manufacturers could demand better prices;* the revenues of these States (as in ours) would be chiefly a burden on their own industries and entirely borne by their own people.

But as it is, these protectionist countries take their taxes out of foreigners using their markets and get the benefit of both foreign and home competition.

DEFINITION OF "PROTECTION."

The very definition of a protective tariff renders Mr. Cleveland's famous dictum untrue as to goods in a protective-tariff country like this.

The best definition of protection that I have ever seen is the one given in that most excellent book, already referred to, Rice's Protective Philosophy. It is this:

Protection is that economic system which requires that its sufficient duties shall be levied only on such commodities (besides mere luxuries) as we are capable of producing in economy and quantity to regulate prices in the home market.

As Mr. Rice well says:

Protective duties will not begin to regulate prices until they begin to reduce them, because, if not varied in that way, the average previous import price of the foreign commodity will remain unaffected by the subsequent domestic production.

* * * * * * *

Each class under it (the protective system) is conceded its right of reasonably profitable production on the one hand and its right of reasonably economical purchase of the product on the other; for it is only by the steady continuance of reasonably profitable production that, in the long run, the opportunity of reasonably economical purchase can be maintained.

PROTECTION AND PRICES.

Let me ask anyone who thinks that under a protective-tariff system Mr. Cleveland's dictum would be true to answer this question: Suppose that all the other countries in the world were blotted out, how would that affect the prices of the goods that we are capable of producing in this country economically and in sufficient quantity to supply our own needs? Does anyone believe that, after a short time in which to adjust ourselves to the new condition, prices of domestic products would be very different from what they are now? Is there anyone who can not see that, as to such articles as come within the definition, prices would soon be lower than ever? If that is not so, what basis is there for the claim of those who demand larger foreign markets for our products on the ground that if we do not get them the prices of our products must fall? Is not this a confession that, as to goods that we are capable of producing economically and in sufficient quantity to supply our own market, the price here is fixed by this country's own production and not by foreign importation, and that the foreigner coming into our market with competing goods (the only goods, except luxuries, on which Republicans would put a duty in times of peace) must adjust his selling prices in this country to meet our prices, and that the foreigner must, therefore, pay the duty or most of it?

When we turn the matter around and look at it from the other side we have no difficulty in seeing the truth. Why do we care anything about the rate of duty that Germany or any other country charges on competing goods, on goods that we wish to sell there the like of which are produced in the country to which we ship? Why, I say, do we care anything about her rates of duty on such articles? Because we know that in order to get into her market with such goods we must pay the duty as part of the expense of getting our goods on sale there. And why is Germany anxious to have us reduce our duties on goods such as she desires to sell in this country? Because her exporters know that in order to get into our markets with competing goods they have to pay the duty levied by us on their goods.

WHAT A PROVIDENCE MERCHANT SAYS.

Last November I had a joint debate on tariff revision and reciprocity in Providence, R. I., with that prince of good fellows, with whom I do not agree on these matters at all but for whom personally I have high regard, Eugene N. Foss, of Boston, brother of our friend and colleague from Illinois [Mr. Foss]. At the conclusion of the meeting I had a talk in the lobby of the Wellington, where the debate was held, with Mr. John Shepard, one of the leading merchants of Providence. Mr. Shepard told me a number of interesting things about his practical experiences with the different tariff laws that have been enacted since he began his career as a business man. Last month, while preparing some data for this speech, I wrote Mr. Shepard, asking him to tell me again some of the experiences that he gave me that evening at the Wellington. Here is his letter:

THE SHEPARD COMPANY STORES,
Providence, R. I., May 12, 1900.

Hon. J. T. MCCLEARY,
House of Representatives, Washington, D. C.

MY DEAR SIR: I have your letter before me, asking me to repeat the nature of the conversation we had at the Wellington with reference to my experience with the tariff. I have no data before me as to rates of tariff, dates, etc., but the facts are quite clear in my mind as follows:

The Wilson bill reduced the tariff on some of the lines of kid gloves that we were carrying. As the prices at which we were selling were satisfactory to our customers, I imagined, of course, that this reduction would prove an addition to our profits. The facts, however, were that the manufacturers on the other side advanced the prices, so that we continued to pay the same as before, the benefit going to those abroad and not to any one in this country.

Another incident referred to in our conversation was, that when the Dingley bill went into operation the duties on certain classes of hosiery were increased. I remember particularly that some which we had been selling at 25 cents a pair would, if a proportional advance was made by the manufacturers on the other side, cost us so much as to make it impossible to continue selling at this figure. The result was that we forced the manufacturer abroad down to such figures as to make it possible for us to continue to sell at 25 cents, making practically the same margin of profit. In other words, the advance in the tariff came out of the foreigner entirely. True he did state at the time that he could not continue to make the goods at these lower figures, but that a change in the tariff might again be made soon and he must hold his business in the meantime. He also said that if this tariff was to continue, and he had to sell at the figures we insisted upon, he would have to come and start factories in this country to protect himself; but he feared to do this because of the liability to change by the placing of different political parties in control of our Government.

The point that I wished to make at that time was that in many instances the reduction in our import duties was taken advantage of by the foreigner, and that we did not benefit thereby, but were the losers; and that in many instances where we advanced the amount of duty it came out of the manufacturer on the other side and not out of our pockets, but was gain to our Government.

Very sincerely,

JOHN SHEPARD, Jr.,
President Shepard Co.

WHAT THESE EXPERIENCES SHOW.

I submit these actual experiences of a practical business man to the sober sense of Congress and the country.

Among many things worthy of notice in the facts set forth may be mentioned these:

First, it appears from Mr. Shepard's experience that, as modestly summed up in his final paragraph, reduction of our duties worked to the advantage of the foreign manufacturer and to the disadvantage of our national revenues, while an advance in our duties worked to the advantage of our national revenues at the expense of the foreign manufacturer.

Second, it appears that reducing the tariff in the Wilson law did not reduce the cost of foreign goods to the American consumer, nor did the increase of the tariff in the Dingley law add to the price paid by the American consumer.

Third, it appears that the foreign manufacturer would have come to this country with his capital and his enterprise and have set up factories here if he could have had any assurance that we would maintain stability in our tariff laws. Thus would stability have brought us new enterprises along his lines, with the inevitable result of increased competition and improved methods of production, and the consequent lowering of cost to the American consumer. This illustrates the reason and explains the purpose of the Republican party in insisting on adequacy of tariff rates and stability of tariff laws in the interest of both the American producer and the American consumer.

We are in danger of teaching the world that we are an unstable people, that the one thing that we can not stand is prosperity; and that as soon as we get matters well under way we begin to clamor for "a change." This discourages many enterprises among our own men of capacity and capital and prevents them from putting goods on the market at the low margin of profit that would be possible with stability of proper conditions. And it discourages vast investments that would be made in this country if stability of tariff conditions could be counted on. On the other hand, it encourages foreigners to "campaign" in this country for reduction of tariff duties, just as they are doing at this very time. They know that they can always get help in this country in their efforts to break down the safeguards to American industry, and that quite a large part of this help will be given by people who are entirely unconscious of the part they are playing in this un-American and unpatriotic movement. I shall refer to this matter again later.

GENERAL VIEW OF NINETY YEARS.

Let us at this point take a general view of the world's tariff movements during the last ninety years. Roughly, these world movements can be grouped into three periods of thirty years each.

During the first thirty of these years, from 1816 to 1846, all

the civilized countries of the world had protective tariffs. And during that time was a period of what my friend, the gentleman from New York [Mr. TOWNE], would call one of "falling prices." That is, during the generation from 1816 to 1846, goods were gradually growing cheaper, with temporary recessions which occur in every general movement.

In the year 1846, Great Britain adopted what is called her "free-trade" policy. That is, she definitely abandoned the protective policy that she had held to for hundreds of years. And she immediately set about to convert the world to her "nonprotective" tariff policy. The first to surrender was the United States, which in 1846 adopted the Walker tariff, of which I have already briefly spoken and to which I shall again allude later on. One after another the countries of the world adopted the British "nonprotective" tariff policy, so that the next period of thirty years, from 1846 to 1876, may be called for the world at large a period of nonprotective duties. England largely became, what she had aimed to become, the workshop of the world. With what result? Here in my hand I hold the First Report of the British Royal Commission on Depression of Industries. Here, on pages 136 to 138, I find the British export prices of a number of important products. These tables give comparative prices in the year 1854 and the year 1875, and show that during that period of nonprotective tariffs, when Great Britain dominated the markets of the world, the average export prices of British products increased as follows:

	Per cent.
Woolen goods	32
Cotton goods	14
Coal	55
Pig iron	31

The United States was the first to fall a victim to the world-wide "campaign" that was made for the spread of the British "nonprotective" tariff idea, but we were also the first to recover from the folly. In 1861 we definitely returned to the protective-tariff policy. But it was not until the later seventies and the early eighties that the other countries of the world recovered their senses and returned to the protective idea. And what has been the result? In the main, during the last generation, from 1876 to 1906, with temporary recessions always noticeable in general movements, we have had a period of "falling prices." It was this movement, the reason for which they failed to understand, that caused our "free-silver" friends so much agitation ten years ago.

Briefly summing up, then, a discussion that I would be glad to extend of a subject which it will be profitable for anyone to look into carefully, the general results for the world as to prices of manufactured goods, shown by the brief study of the last ninety years, may be put into tabular form thus:

1816 to 1846—Protection general—Falling prices.
1846 to 1876—"Free Trade" general—Rising prices.
1876 to 1906—Protection general—Falling prices.

A BRIEF SUMMARY.

I have endeavored thus far, Mr. Chairman, to show the wisdom of the declaration of our national platform in 1904 in favor of a tariff system which—while raising through duties on imports, as is necessary under our system of government, the revenues required for the support of our National Government—gives at the same time protection to American industry and American wages and the American standard of living. I have tried to show that our platform declaration in favor of this as our permanent national policy is wise. I have tried to show, also, the wisdom of the declaration of our platform that the measure of protection "should always at least equal the difference in cost of production at home and abroad." I have based my conclusions alike on reason and on experience.

It is not denied by anyone that all over this broad land there is to-day prosperity greater and more widely diffused in its benefits than was ever enjoyed by any other country in the world's history, greater and more general prosperity than was ever before enjoyed even in our own beloved land. If ever a law has justified its existence and its right to endure it is the tariff law under which during the last nine years we have achieved the unparalleled progress which is the wonder and admiration of the world. Why should this progress and prosperity be interfered with?

Is it claimed that some people are getting more of the prosperity than others? Yes, men are asked to forget the tenth commandment and strike down a great national system because some one else is prospering more greatly than they. Mr. Roosevelt had this appeal to envy in mind when in his letter of acceptance he said:

It is but ten years since the last attempt was made, by means of lowering the tariff, to prevent some people from prospering too much. The attempt was entirely successful.

"PROGRESSIVE" REPUBLICANISM.

Out in the Middle West we have a brand of Republicanism known as "progressive" Republicanism. It is sometimes hard to distinguish those who profess it from Democrats. But they profess to be Republicans, and probably in their hearts they mean to be. Their view may be stated somewhat in this way: "We believe in progress. The Dingley law was wisely framed for the conditions then existing. But conditions have changed since then, and there should be changes in the tariff law to meet those changed conditions."

This sounds well. It exhibits a progressive spirit. But those who profess this view seem to forget that movement is not always forward; the experience of 1893–1897 should remind them that it may be backward.

These self-styled "progressives" are singularly careful not to specify the nature of the "changes of conditions" to which they make such frequent allusions. The most distinguished of these "progressive" Republicans is my friend the governor of Iowa, Hon. A. B. Cummins. With mellifluous tones and brilliant rhetoric Governor Cummins tells the people of the Middle West something to the effect that progress can not take place under a banner bearing the inscription "Stand pat." It can only take place, he declares, under a banner upon whose folds are emblazoned the inspiring words, "Move on." In this there is, of course, a certain element of truth.

Brother Cummins makes, however, a very common mistake; a mistake very easily made. I commend to his consideration the very greatest of all lawmakers, the only Lawmaker who is All-wise, the only Lawmaker who never makes a mistake. His laws like Himself, are "from everlasting to everlasting, the same yesterday, to-day, and forever." I commend to Governor Cummins and people of his class a study of the laws of the All-wise Lawmaker. In them there is "no change or variableness or shadow of turning." The laws which He decreed before time began have never yet been "revised," and, Mr. Chairman, *it is upon their unchangeableness that all human progress rests.* Progress depends upon stability of law, not upon changeableness and fitfulness and variableness of law.

Yes, the Dingley law was wisely framed at the time of its enactment. And no one has yet pointed out any change of conditions sufficient to warrant revision of that law at this time or in the near future.

The Dingley law is fulfilling the prime object of its existence, namely, the raising of national revenue. And it is not raising an excess of revenue. The receipts of the National Government during the fiscal year just ending have been only about $25,000,000 above the expenditures. Surely this margin of about 3 per cent for safety is narrow enough. As a producer of revenue, then, the Dingley law has amply justified itself, producing the amount of revenue required, with only a small margin for safety.

And it is fulfilling well its secondary purpose, that of affording protection to American industry. It is true that as to some things the margin of protection furnished by that law has always been narrow, and when we come to revise there is no question but that the margin of protection, as to some things, will have to be somewhat increased. But there is no demand, or little demand at least, for revision by those who find this margin of protection rather narrow.

In my judgment, if some one could with full authority proclaim to-day that there would not be any material change in the Dingley law for twenty years, the coming twenty years would be the years of greatest and most evenly divided prosperity in the history of this country.

WHAT WE COULD DO IF THESE GOODS WERE KEPT OUT.

In a communication to the Boston Advertiser, George W. Russell presents the following interesting facts:

That our present tariff is too low in some of the schedules is shown by our imports last year. We imported $5,795,822 in breadstuffs; $9,414,750 in raw cotton; $48,919,936 in cotton manufactures; $11,669,723 in china, earthen, and stone ware; $39,645,324 in manufactures of hemp, flax, and jute; $22,825,527 in manufactures of iron and steel; $32,615,450 in manufactures of silk; $98,865,539 in dutiable sugar; $22,145,846 in tobacco and manufactures of tobacco; $22,776,521 in wood and manufactures of wood; $46,214,670 in raw wool; $17,893,663 in manufactures of wool. These are all competing imports, and, had we have been adequately protected, might have been produced at home to our own great profit. These are only the larger items in our imports, and amount to $378,801,872, to which must be added, at a low estimate, $200,000,000 that we pay to Great Britain, Germany, and France for ocean service, and we have $578,801,872. This would support 2,400,000 people as well as the people in New England are supported. It will take a long while to increase our foreign market by this amount for like products. We talk about our surplus and the necessity of foreign markets, but when we get at facts we have no surplus products and consume as much as we produce.

THE NEED OF STABILITY.

In a speech before the Polk County (Iowa) Republican Club, in the city of Des Moines, about a year ago, Governor Cummins said this:

We all concede that there should be stability in our tariff laws; that they should not be changed for light or trivial reasons. They should stand until it is apparent that they constitute a substantial burden upon business and become the instruments of grave injustice to the people. I grant also that the burden of proof that existing duties are substantially unjust is upon those who propose a change. I intend to assume that burden, and if I can not establish, not only by a preponderance of evidence, but beyond a reasonable doubt, the proposition that the duties of 1897 upon some of the most important products are so much too high that they despoil the consumer in order to create an unreasonable profit for the producer, I will suffer the penalty, and ought to suffer the penalty, imposed upon a mere disturber of industrial tranquillity.

In his last annual message to Congress, on December 5, 1905, at the beginning of the Fifty-ninth Congress, President Roosevelt said:

There is more need of stability than of the attempt to attain an ideal perfection in the methods of raising revenue; and the shock and strain to the business world certain to attend any serious change in these methods render such change inadvisable unless for grave reason. It is not possible to lay down any general rule by which to determine the moment when the reasons for will outweigh the reasons against such a change. Much must depend, not merely on the needs, but on the desires, of the people as a whole; *for needs and desires are not necessarily identical. Of course no change can be made on lines beneficial to, or desired by, one section or one State only.* There must be something like a general agreement among the citizens of the several States, as represented in the Congress, that the change is needed and desired *in the interest of the people as a whole;* and there should then be a sincere, intelligent, and disinterested effort to make it in such shape as will combine, so far as possible, the maximum of good to the people at large with the minimum of necessary disregard for the special interests of localities or classes. But in time of peace the revenue must on the average, taking a series of years together, equal the expenditures, or else the revenues must be increased. Last year there was a deficit. Unless our expenditures can be kept within the revenues, then our revenue laws must be readjusted. It is as yet too early to attempt to outline what shape such a readjustment should take, *for it is as yet too early to say whether there will be need for it.*

There is much food for thought in the above quotation from the latest message of President Roosevelt. It contains several very important propositions which deserve careful study. Evidently President Roosevelt last December could see no reason for tariff revision unless the revenues should prove to be deficient. But the revenues have proved to be ample. Will those who have been told that President Roosevelt favors immediate tariff revision be longer deceived?

Relative to tariff revision, the national Republican platform of 1904 said:

Rates of duty should be readjusted only when conditions have so changed that the public interest demands their alteration.

In my speech in this House two years ago, which under the rule and by permission of the House I extended in the Record, I said:

Are tariff schedules sacred? No; but the welfare of our people should be sacred to those whose actions may greatly promote or greatly retard it. Should our tariff laws never be revised? Certainly they should. When? Whenever it becomes evident that there is more to be gained than lost by the people of the United States through such revision.

In all of these utterances two thoughts are prominent: First, the need of stability as a basis for progress and industrial prosperity; second, the thought that the tariff should be revised only when there is more to be gained than lost to the people of the United States through such revision.

As Governor Cummins has well said, "the burden of proof of the necessity for revision is upon those who propose a change." And in view of the unquestioned prosperity of this great country and of the immensity of the interests involved, it is only fair and right that those who advocate a change should establish, as he suggests, "not only by preponderance of evidence, but beyond a reasonable doubt, the necessity for the change."

Now, let us candidly examine such grounds for tariff revision as have been proposed, and soberly make up our minds whether or not they establish "beyond a reasonable doubt" the need of tariff revision at this time or in the near future.

TRUSTS ARE NOT NEW THINGS.

We are sometimes told the trusts have sprung up within the last few years, and that "revision of the tariff" is necessary to "curb or destroy the trusts." But, sir, "trusts" are not new things. They are so old, sir, that in the common law itself provision is made against "combination in restraint of trade."

Here in my hand I hold a book entitled "The Progress of the Nation." It is a carefully prepared and well written book by an Englishman by the name of G. R. Porter. It was published in England in 1851, its purpose being to show the progress of the British nation during the first half of the nineteenth century. Here on pages 281 to 283 I find a very interesting account of the way the English producers of coal formed "trusts" and "regulated production and prices" away back in 1771, at which time, according to the best authorities that I can find, the English tariff policy as to coal followed her present general tariff policy. The following extracts will give a fair idea of the story of an early English "trust:"

LIMITATION OF COAL OUTPUT AND SALES.

The "limitation of the vend" existed with some partial interruptions from the year 1771. This arrangement was no less than a systematic combination among the owners of collieries having their outlets by the Tyne, the Wear, and the Tees to raise the price of coal to consumers by a self-imposed restriction as to the quantity supplied. A committee appointed from among the owners held its meetings regularly in the town of Newcastle, where a very costly establishment of clerks and agents was maintained. By this committee not only was the price fixed at which coals of various qualities might be sold when sea borne for consumption within the kingdom, but the quantity was assigned, which, during the space of the fortnight following each order or "issue," the individual collieries might ship.

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HOW SALES WERE REGULATED.

The Newcastle committee met once a fortnight, or twenty-six times in the year, and, according to the price in the London market, determined the quantity that might be issued during the following fortnight. If the London price was what is considered high, the issue was increased, and if low, diminished. If the "issue" were twenty on the 1,000 the colliery here described would have been allowed to sell (20 by 50) 1,000 chaldrons during the ensuing fortnight. The pit and establishment might be equal to the supply of 3,000 or 4,000 chaldrons; orders might be on the books to that extent or more; ships might be waiting to receive the largest quantity, but under "the regulation of the vend" not one bushel beyond the 1,000 chaldrons could be shipped until a new issue should be made. By this system the price was kept up; and as regards the colliery owners, they thought it more for their advantage to sell 25,000 chaldrons at 30 shillings per chaldron than to sell 100,000 chaldrons at the price which a free competition would have brought.

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SURPLUS EXPORTED AT MUCH LOWER THAN HOME PRICES.

There was another consequence resulting from this limitation of the home coal trade which it is necessary to state, as it was productive of great national evil.

The owners of collieries being restricted in their fornightly issues to quantities which their establishments enabled them to raise in three or four days were naturally desirous of finding for their men during the remainder of the time some employment which should lessen the expense of maintaining them in idleness and spread over a large quantity of product the fixed expenses of their establishment and their dead rents. To this end coals were raised which must find a sale in foreign countries, and it practically resulted that the same quality of coals which, if shipped to London were charged at 30 shillings 6 pence per Newcastle chaldron were sold to foreigners at 18 shillings for that quantity, giving a preference to the foreign buyer of 40 per cent in the cost of English coal. By this means the finest kinds of coal used in London at a cost to the consumer of about 30 shillings per ton might be had in the distant market of St. Petersburg for 15 or 16 shillings, or a little more than half the London price.

VERY LOW EXPORT PRICE OF NUT COAL.

Nor was this the worst effect of the system. In working a colliery, a great proportion of small coal is raised. The cost to the home consumer, under the system of limitation, being greatly exaggerated, and the freight and charges being equally great upon this article as upon round coal, very little small coal would find a market within the kingdom, except on the spot where it was raised; and as the expense of raising it must be incurred, the coal owners were forced to seek elsewhere for a market at any price beyond the mere cost of putting it on board ship. By this means, "nut coal," which consists of small pieces, free from dust, which have passed through a screen, the bars of which are five-eighths of an inch apart, were sold for shipment to foreign countries at the low price of 3 shillings per ton.

The intrinsic quality of this coal is quite as good as that of the round coal from the same pits; it is equally suitable for generating steam, and for general manufacturing purposes; and thus the manufacturers of Denmark, Germany, Russia, etc., obtained the fuel they required, and without which they could not carry on their operations, at a price not only below that paid by English manufacturers, but for much less than the cost at which it was raised.

STEEL-RAIL TRUST IN ENGLAND.

Mr. Chairman, I propose to show now that they had a steel-rail "trust" in England more than twenty years ago. Moreover, it was part of an international trust, in which the manufacturers of England were the prime movers and the most important factors.

Here in my hand I hold the second report of the British Royal Commission to inquire into the cause of industrial depression in England. Here on page 56 of the "Minutes of Evidence" taken in 1885, begins the testimony of I. T. Smith, general manager of the Barrow Hematite Steel Company. For reasons that will appear, Mr. Smith knew thoroughly the subject that he discussed. Let me read you a portion of what he said, this being found on page 60 of the "Minutes:"

Mr. Smith was asked by the commission:

Can you give us any information with regard to the association which we understand has been formed for the purpose of distributing the orders received for the manufacture of rails?—

Meaning steel rails. To which Mr. Smith replied:

I had something to do with the origin of that association, and the conduct of it since. It was formed two years ago—

That is, in 1883—

at which time steel rails were being sold at less than £4 per ton at the works, that price, I believe, being a loss to the parties selling them varying from 5s. to 10s. a ton. The quantity of rails required then had fallen off to only about one-third of what it had been in previous

years; we were all of us working nothing like half time, and when orders came in it became a question, Is it better to take these orders at a known loss or let the works stand and have an indirect loss in that way? *The competition became so keen* that we got down to less than £4 at the works. After some time the makers in England, all except one firm, agreed to join the association, and it was decided to endeavor to associate the Belgians and the Germans with us as being the only two countries that exported rails. It ended, after taking the figures of three years of the exports from the three countries, that Great Britain kept 66 per cent of the entire export trade, Belgium had 7 per cent, and Germany 27 per cent.

This was only a short time after Germany and Belgium had returned to the protective-tariff system, and their industries had not yet been developed. Mr. Smith continued:

We have since modified the division a very little, and given Germany 1 or 2 per cent more and Belgium one-half per cent; but in effect this country has reserved two-thirds of the export trade. The next thing that we had to do, having agreed upon what proportion each country was to have of the orders of the world, was to agree among ourselves how we should divide those orders, and we thereupon assessed the capabilities of each work, each company representing a certain number of parts out of 100 parts. The effect of this has been that we have gone on for two years dividing the orders in something like a proper proportion, and we have maintained a price of £4 13s. a ton at the works, it having been when we began £4.

AN INTERNATIONAL RAIL POOL.

Here I have a copy of the London Iron and Coal Trades Review for October 21, 1904, which gives the following account of an international rail pool—that is, an international trust for the handling of steel rails, a "trust" in the formation of which "free trade" England took the most prominent part. It will be noted, however, that German and Belgian industries during the twenty years since the "trust" of 1883 have grown under protection faster than the English industries under nonprotection, as is shown by the fact that in this new international trust, they have a larger share than in the former one:

For some time past rumors have been in circulation regarding negotiations between the rail makers of Great Britain, Germany, Belgium, and France, the object being to arrive at an understanding as to export orders and to prevent the ruinous cutting of prices that has hitherto taken place in this industry. Some months ago an understanding was nearly reached, but broke down over a dispute as to the allotments. We learn on the best authority that, as a result of a meeting held in London last week, an agreement has now been arrived at. At this conference an arrangement was provisionally entered into by the various delegates on behalf of the countries which they represented, and the agreement now only wants the ratification of the group of works in each country to come into operation for a period of three years. In Great Britain this ratification appears to be only a matter of form, and no hitch is to be expected. The German Stahlwerks Verband, the Belgian Steel Works Union, and the individual French steel works are practically agreed on the desirability of the arrangement, although in these cases the final approval of the constituents is necessary.

The agreement is based upon export sales amounting to 1,300,000 tons per annum, and the allotment to each country is as follows, taking a figure of 100 as the unit: British works, 53.50; German works, 28.83; Belgian works, 17.67; total, 100. French works, first year, 4.8 parts out of 104.8 parts; second year, 5.8 parts out of 105.8 parts; third year, 6.4 parts out of 106.4 parts. It will be observed that, while the British, German, and Belgian allotments are expressed in a unit of 100, the French works have their allotment added to this figure of 100, making the actual unit for the first year 104.8, rising to 106.4 at the end of the third year.

We understand that at the London meeting the British allotment was finally fixed, but it was left to the Belgians and Germans to arrange among themselves their respective proportions, with the result as shown above. The arrangement seems a very fair one to all parties. The British proportion is, of course, very much less than would have been obtained had the arrangement come into force in, say, 1899. The immense increase of German exports in the last five years has entitled that country to a much larger share. During the past two years the total rail exports have been rather under 1,200,000 tons, and in 1903 we had approximately 52 per cent of the total. We understand, however, that the arrangement on which the allotments were made was to take the exports over a longer period of years. Prior to 1899 Germany did not cut much of a figure in the export rail trade, and in 1900 our own proportion had sunk to under 40 per cent. On the whole, therefore, the arrangement may be considered an equitable one. *So far as the arrangements between the British works themselves are concerned the agreement embraces all the works in the country*, with the exception of such firms as the Glengarnock Iron and Steel Company, the Leeds Forge Company, and other firms, whose output of rails is either very small or spasmodic. The allotment to the works themselves is a delicate matter. The make of rails in Scotland is insignificant at present.

The one vital flaw in the scheme is that the United States Steel Corporation and other American works which export rails are not parties to the agreement. Whether they can be induced to come within the fold remains to be seen.

AN ENGLISH AND SCOTCH STEEL COMBINE.

Here in my hand I hold a copy of the London Ironmonger, one of the great trade papers of England. This is the issue for October 22, 1904. It contains the following account of a British steel "association," such as we call a "trust." This, mind you, is wholly in Great Britain under "free trade:"

After much negotiation the steelmakers of the north of England and of the west of Scotland have been able to come to an arrangement whereby competition in the sale of ship and boiler plates ceases in their respective districts, so far as the producers are concerned. On Tuesday, at a conference held in Newcastle, it was resolved that no Scotch maker should sell plates for delivery in the north of England, and that no maker in that district should sell plates for delivery in the Clyde valley. The parties to this bargain are the largest producers of steel in the country, and the compact is probably one of the most important ever concluded in the United Kingdom in an industrial sense. The arrangement does not cover angles and several other sections of production, but these have not been lost sight of, and the negotiations are to proceed, so as, if possible, to bring all branches into line.

It is not to be wondered at that the announcement of the fact has created something akin to consternation in the ranks of consumers in the respective districts. They had hoped that the efforts at a combine would fail, and they left no stone unturned to secure that result, but without effect. In both localities buyers are now practically at the mercy of producers. There are other sources from which supplies can be drawn, yet only in a last emergency, and at a cost which few firms could face, at least for any length of time, and the grievous feature of the arrangement is that, while the Clyde, the Tyne, and the Wear are to be treated as close preserves, the rest of the United Kingdom remains an open market. Consumers on these rivers can not take off the whole output of steel plates, and under the new contract makers will literally *dump the surplus throughout the rest of the United Kingdom* and in other markets at, so to speak, whatever it will fetch. They have been *doing so already for some time*, and as a consequence work which otherwise would have come to shipbuilders and others in their own immediate neighborhood has gone elsewhere.

The Scotch and English makers are notorious for selling all kinds of shipbuilding material, in Belfast especially, at shillings a ton below what they exact at their own doors, and a great quantity of tonnage has in consequence gone to that port which on fair terms would be constructed in Scotland or England. It is this handicapping, more than the actual price charged for material, of which Scotch and north of England houses complain, and which they reasonably fear will now become accentuated. It is rumored that the ink was hardly dry in the writing of the bargain ere a suggestion was made to put 2s. 6d. a ton on plates; but diplomatic counsels prevailed and the step was postponed.

TRUSTS NOT RESULT OF PROTECTIVE TARIFF.

From the foregoing illustrations, which could be multiplied indefinitely, a number of truths must be evident to the thoughtful and candid.

In the first place, it is clear that the so-called "trusts" are not the result of a protective tariff, otherwise there would be none of them in Great Britain, whose tariff has in it no vestige of protection.

This conclusion is strengthened in one's mind by remembering that in this country there are "trusts," so called, in articles upon which there is no duty whatever, as, for example, in kerosene oil and anthracite coal.

It must be clear, in the second place, as stated by Mr. I. T. Smith in his account of the origin of the international steel-rail trust of 1883, that the cause of the "associations" or "trusts" is the intensity of competition. And it must be clear, further, that to remove our tariff duties on articles made by "trusts" would only be to intensify this competition still further and bring about international trusts.

Along this line I quote the following from the report of the United States Industrial Commission, composed of men of all parties:

The removal of the tariff, then, will not abolish combinations unless it abolishes the industry. The domestic competitors of combinations might be largely cut off by tariff reductions or removal, and the combination survive with moderate profits, and yet be forced to sell its products to domestic customers at much lower prices. But this sharpening of foreign competition by the removal of the tariff would, beyond any doubt, lead American combinations in some cases to enter into international combinations. Already we have the thread industry of England and the United States, indeed the thread industry of the world, largely in the hands of an international combination. The borax trade is also organized internationally, and there have been efforts to bring about an international iron and steel combination. In Europe many combinations have crossed national boundaries. The advocates of lowering or removing the tariff in any line of industry should inquire carefully whether its effect might be to produce an international combination, and if so whether such an international trust would be desirable. The possible effect upon wages of a reduction or removal of duties must also be considered, and the further possibility of admitting to this country the surplus stocks of European manufacturers, at rates so low as to seriously cripple our home manufactures. If our manufacturers extend their foreign markets by selling at low rates abroad, they but follow the example of European manufacturers, who for years have disposed of surplus stocks in this country so as to keep their factories going to their full capacity. What can be gained by helping foreign trusts to hurt domestic trusts is not apparent.

And Professor Sumner, of Yale University, who is probably the leading "free-trade" authority in this country, says on this subject:

Trusts, department stores, railroad consolidations, bank unions, are cases of a general development in the mode of industrial organization. All branches of industry fall into it. * * * It was the discoveries and inventions of the nineteenth century, especially in the fields of transportation and the transmission of intelligence, which made it possible, and then profitable, to organize industry on a more comprehensive scale.

It will be noted that this great teacher of "free trade" does not even hint at the tariff as the cause of the "trusts."

DEMOCRATIC THEORY VERSUS DEMOCRATIC PRACTICE.

For twenty years or more the Democratic party has been vociferating against "trusts." In all that time it has made only one suggestion on the trust problem. That suggestion it has repeated over and over and is still repeating. In the Democratic national platform of 1900 that proposition was stated in the following language:

Tariff laws should be amended by putting the products of trusts on the free list to prevent monopoly under the plea of protection.

"Putting trust-made goods on the free list" has always been the Democratic plan of dealing with the so-called trusts. That, Mr. Chairman, is the cry of the weakling, calling on other nations to intervene and help us solve a purely domestic problem. It is, sir, a modern industrial application of the idea of King George the Third of England when he hired foreigners to come over here and fight for him during our war for independence. The American people never took to that idea, and they never will.

And how did our Democratic brethren prove their sincerity in this matter when they had a chance? In 1892 the American people, in a period of forgetfulness, entrusted the Democratic party with full power in this Government, turning over to that party the Presidency and both Houses of Congress. How, I ask, did Democratic performances then measure up with Democratic promises?

One of the so-called "trusts" of which we have all heard, one of the oldest and strongest, one of those most nearly a monopoly, is the "sugar trust." From Democratic protestations of friendship for the "toiling masses," who are the chief consumers of sugar, we might naturally expect that at the earliest moment after coming into power the Democratic party would hasten to smite the sugar trust by putting sugar on the free list. Did our Democratic brethren do that? Nay, verily; they moved in the opposite direction.

In the tariff act of 1890, the McKinley law, all sugars "not above number sixteen Dutch standard in color" had been placed on the free list, and on refined sugar was placed the very moderate duty of half a cent per pound. That was the law when the Democratic party came into power in 1893.

Did our Democratic brethren hasten to put into practice their much-vaunted plan for "preventing monopoly"—did they keep raw sugar on the free list as they found it and remove the duty from refined sugar? Nay, nay. The tariff law enacted by them—the ill-starred Wilson law that our good Democratic friend CHAMP CLARK wishes now that he had not voted for—that Democratic law not only did not remove the duty from the "trust-made" sugar, but it took raw sugar from the free list and put on it a duty of 40 per cent, and increased the duty on refined sugar above the rate in the McKinley law.

Thus did our Democratic brethren show, when put to the test and given opportunity for responsible action, that they themselves regarded their much-vaunted proposition as void of sense, and the country may now be pardoned if it regards their protestations on the subject as void of sincerity.

The CHAIRMAN. The gentleman's one hour has expired.

Mr. PAYNE. Mr. Chairman, I would like to ask the gentleman how much more time he desires?

Mr. McCLEARY of Minnesota. That is hard to tell. I had expected to have at least an hour more.

Mr. GAINES of Tennessee. Mr. Chairman, I ask that the gentleman be allowed to conclude his remarks.

Mr. PAYNE. I can not consent to that, Mr. Chairman. I give notice that, as we are so near adjournment, I can not, during this debate, consent that any gentleman shall talk without limit. If the gentleman will state how much time he wants, I will not object.

Mr. WILLIAMS. Mr. Chairman, if the gentleman will ask that the gentleman from Minnesota may have a half hour further time I will not object. There are three hours to-night divisible between the two parties, and I can not consent that any portion of the hour and a half belonging to this side of the Chamber be consumed by that side of the House.

Mr. GAINES of Tennessee. I ask that the gentleman's time be extended half an hour.

Mr. PAYNE. I will not object to that, but I give notice that an hour and a half will be the limit of speaking.

Mr. McCLEARY of Minnesota. I thoroughly appreciate the compliment of being given all the time assigned to this side of the House. I do not blame the gentleman from Mississippi for demanding the time belonging to that side of the House. There are many on both sides who wish to be heard.

Mr. WILLIAMS. Three hours was the order of the House.

Mr. McCLEARY of Minnesota. I understand now that it was.

And now, Mr. Chairman, as I shall not be able to conclude what I had planned to say, I ask unanimous consent that I may be permitted to extend my remarks in the RECORD and complete the argument that I have in mind, embodying some documents necessary to elucidate and illustrate what I have to say.

The CHAIRMAN. Without objection, the gentleman will be permitted to extend his remarks in the RECORD.

There was no objection.

Mr. McCLEARY of Minnesota. I would like also to have permission to put in the RECORD the chart in front of the Speaker's desk, not yet unrolled. It is not a photograph, and contains nothing in the nature of an advertisement. I expect to reach a discussion of it, and I would like to have permission to insert it in the RECORD.

Mr. PAYNE. That is a matter wholly within the discretion of the Committee on Printing.

Mr. McCLEARY of Minnesota. That is satisfactory to me.

Now, Mr. Chairman, let us find out the Republican position on this matter of the so-called "trusts."

ROOSEVELT ON THE TARIFF AND TRUSTS.

In his letter of acceptance Mr. ROOSEVELT discussed briefly but thoroughly the Democratic notion of solving the "trust" problem by "removing the duty from trust-made articles." Nowhere else have I ever seen so much good sense on this subject expressed in so few words. Republicans and Democrats alike will find it profitable to read over and over again this admirable statement until "the Roosevelt idea" on the subject is thoroughly understood. He said:

At the outset it is worth while to say a word as to the attempt to identify the question of tariff revision or tariff reduction with a solution of the trust question. *This is always a sign of desire to avoid any real effort to deal adequately with the trust question.* In speaking on this point at Minneapolis, on April 4, 1903, I said:

"The question of tariff revision, speaking broadly, stands wholly apart from the question of dealing with the trusts. No change in tariff duties can have any substantial effect in solving the so-called trust problem. Certain great trusts or great corporations are wholly unaffected by the tariff. Almost all the others that are of any importance have as a matter of fact numbers of smaller American competitors; and of course a change in the tariff which would work injury to the large corporation would work not merely injury but destruction to its smaller competitors; and equally of course such a change would mean disaster to all the wage-workers connected with either the large or the small corporations. From the standpoint of those interested in the solution of the trust problem, such a change would therefore merely mean that the trust was relieved of the competition of its weaker American competitors, and thrown only into competition with foreign competitors; and that the first effort to meet this new competition would be made by cutting down wages, and would therefore be primarily at the cost of labor. *In the case of some of our greatest trusts such a change might confer upon them a positive benefit.* Speaking broadly, it is evident that the changes in the tariff will affect the trusts for weal or for woe simply as they affect the whole country. The tariff affects trusts only as it affects all other interests. It makes all these interests, large or small, profitable; and its benefits can be taken from the large only under penalty of taking them from the small also."

There is little for me to add to this. It is but ten years since the last attempt was made, by means of lowering the tariff, to prevent some people from prospering too much. The attempt was entirely successful. The tariff law of that year was among the causes which in that year and for some time afterwards effectually prevented anybody from prospering too much, and labor from prospering at all. Undoubtedly it would be possible at the present time to prevent any of the trusts from remaining prosperous by the simple expedient of making such a sweeping change in the tariff as to paralyze the industries of the country. The trusts would cease to prosper; but their smaller competitors would be ruined, and the wage-workers would starve, while it would not pay the farmer to haul his produce to market. *The evils connected with the trusts can be reached only by rational effort, step by step, along the lines taken by Congress and the Executive during the past three years.* If a tariff law is passed under which the country prospers, as the country has prospered under the present tariff law, then all classes will share in the prosperity. *If a tariff law is passed aimed at preventing the prosperity of some of our people, it is as certain as anything can be that this aim will be achieved only by cutting down the prosperity of all of our people.*

As the best contrast between the Democratic view and the Republican view of the trust problem that I have seen, I invite attention to the following recent editorial from the Mountain Lake (Minn.) View:

WHICH WAY—CLEVELAND'S OR ROOSEVELT'S?

For more than twenty years the question of regulating the so-called "trusts" has been before the American people. During all that time the Democratic party has offered only one suggestion. And although even the Democratic party itself, when it was actually in power, showed that it recognized the folly of this idea, it keeps on repeating the proposition over and over again. In the Democratic national platform of 1900 the Democratic idea is worded as follows:

"Tariff laws should be amended by putting the products of trusts on the free list, to prevent monopoly under the plea of protection."

Over against that, positively and aggressively, we have the Republican idea. This idea was worded by President Roosevelt in his letter of acceptance as follows:

"Certain great trusts or great corporations are wholly unaffected by the tariff. Almost all others that are of any importance have, as a matter of fact, numbers of smaller American competitors; and, of course, a change in the tariff which would work injury to the large corporation would work not merely injury but destruction to its smaller competitors. * * * *In the case of some of our greatest trusts such a change might confer upon them a positive benefit.* * * * The evils connected with the trusts can be reached only by rational effort, step by step, along the lines taken by Congress and Executive during the last three years."

There you have outlined the two propositions—the Cleveland-Bryan Democratic plan, by "removing the duty from trust-made goods," and the McKinley-Roosevelt Republican plan, of dealing with the question as a purely domestic problem, to be solved by the people of this country in their own way. The Democratic way is the way of King George the Third of England, who hired foreigners to help him in our Revolutionary war. The Republican way is the way of Abraham Lincoln in the civil war, who placed his reliance on the wisdom and patriotism of the American people.

Which way do you think is best? Which way will you stand by?

TRUSTS INDIFFERENT TO PROTECTION.

Let me ask your attention again to some of the statements of President Roosevelt in the remarkable discussion about "trusts and the tariff, above quoted." Note the words carefully:

At the outset it is worth while to say a word as to the attempt to identify the question of tariff revision or tariff reduction with a solution of the trust question. *This is always a sign of desire to avoid any real effort to deal adequately with the trust question.*

This is a hard blow that the President gives to sundry gentlemen who are advocating "tariff revision" on the ground of wanting thus to "smite the trusts." But President Roosevelt hits these gentlemen even a harder blow further on. Note these forceful statements, in which the President is clearly right, as is well known by all who really understand the facts:

Certain great trusts or great corporations are wholly unaffected by the tariff. Almost all the others that are of any importance have, as a matter of fact, numbers of smaller American competitors; and, of course, a change in the tariff which would work injury to the large corporation would work not merely injury, but destruction to its smaller competitors.

And now note how the President puts the final quietus on these professed "friends of the common people," who vociferate so loudly against "capital" and against "corporations," and who promise to "remove the duty on trust-made goods." In the following truthful statement the President takes the ground completely from under such professions:

In the case of some of our greatest trusts such a change might confer upon them a positive benefit.

President Roosevelt in the foregoing statement touches a vital point and delivers a crushing blow to the talk of sundry people who pretend to speak in his name, but who deliberately and willfully misrepresent him.

It is certain that the so-called "trusts" are not showing any interest in maintaining the protective-tariff doctrine. Among many proofs of this is the following letter from the general secretary and treasurer of the American Protective Tariff League. This letter is in answer to a telegram of inquiry sent him by me, as appears in the letter itself. Here is the text of the letter:

THE AMERICAN PROTECTIVE TARIFF LEAGUE,
NATIONAL HEADQUARTERS, 339 BROADWAY,
New York, May 22, 1906.

Hon. JAMES T. MCCLEARY, M. C.,
Washington, D. C.

DEAR MR. MCCLEARY: I beg to acknowledge your telegram of even date, which reads as follows:

"Please write me to-day, giving frankly and fully the composition and purposes of the American Protective Tariff League, the method of its support, and the relation of the so-called 'trusts' to that support."

In reply I beg to say that the American Protective Tariff League was organized in 1885 by the following-named gentlemen: Le Grand B. Cannon, Edward H. Ammidown, Smith M. Weed, William P. Shinn, George Draper, Cornelius N. Bliss, Arthur W. Soper, William A. Ingham, P. C. Cheney, David Harpster, Edwin A. Hartshorn, Henry T. Cook, Oliver Williams, Theodore M. Ives, Henry B. Metcalf, Edward M. Knox, William Strange, Charles H. Cramp, Levi L. Brown, and George H. Ely. Its object is explained by Article II of its constitution, which reads as follows:

OBJECT.

"The object of this league shall be to protect American labor by a tariff on imports which shall adequately secure American industrial products against the competition of foreign labor."

The American Protective Tariff League may be well described as a "political missionary society"—better, perhaps, we may say—that it is an American tract society to American politics—and its efforts in favor of the policy of protection to American labor and industry may be described somewhat as follows:

First. The tariff league prepares, edits, publishes, and distributes all classes of matter favoring the national policy of protection.

Second. It antagonizes all efforts hostile to that policy. Its scope is purely educational and in no sense political or in any way affecting or interfering with political action.

Membership in the tariff league is explained by the following pledge: "The undersigned hereby declares his devotion to American industrial independence, and pledges himself to pay to the American Protective Tariff League, annually, the sum of $100 (or so much thereof as may be called for in any year by the executive committee), with the privilege of terminating this obligation by giving written notice to the general secretary of the League on or before December 31 for each year thereafter."

Upon our books we have registered as members or subscribers 878 individuals, firms, and corporations. Of this number less than one-half regularly subscribe to our work.

Referring to the last phrase of your telegram as to "the relation of the so-called 'trusts' to that support," would say that in the last few years during the period when so many individual interests have been absorbed by large concerns, we have lost several hundred subscribers, owing to the condition which exists. To illustrate:

Take the case of the United States Steel Corporation. Formerly, before this corporation was organized, we had 110 memberships among the subsidiary firms which have become identified with that corporation. To-day we receive one contribution of $100 from one only of the constituent companies of the said corporation. In this case you will notice that our revenues have decreased from about $11,000 to $100. The same condition applies to other large corporations throughout the country. I have in mind another large corporation, which formerly by its subsidiary companies carried seventeen memberships. From this organization to-day we do not receive a contribution of any character—from it, from its officers, or from its constituent companies. Indeed I do not think any of the large corporations in the country carry a membership in this organization. Doubtless some individuals identified with some of these corporations are members. As a matter of fact, the evolution of independent concerns into these large corporations has had the practical effect of so greatly reducing our revenues as to seriously impair the usefulness of our organization.

Only by the most earnest effort, by the practice of the strictest business economy, and by the constant attention to detail of a most loyal force of people have we been enabled to maintain the efficiency of our work. Contrary to the general opinion, our revenues are small and our needs are great. To illustrate: During the year 1905 our total receipts amounted to $34,421.67 and our total disbursements to $33,123.57, and with this amount of money we published and distributed 22,000,000 pages of tariff literature.

We should be very glad to have a contribution of $1 or $100 from any friend of protection, who believes in the policy for which we stand.

Yours, very truly,

W. F. WAKEMAN,
Treasurer and General Secretary.

FOREIGN COMMERCE AND DOMESTIC TRADE.

Mr. Chairman, having shown that there is nothing in the contention of those who claim that they desire to revise the tariff "to curb the trusts," and that in their position they are absolutely antagonizing the work of President Roosevelt in securing proper regulation of the great enterprises commonly spoken of as "trusts," I pass on to the next ground on which some people are advocating "immediate tariff revision," namely, that American goods are sold cheaper abroad than at home. There is just enough of truth in this allegation to make it dangerous. Let us view the matter in the large in order to form a just opinion.

According to the census of 1900, we produced in this country that year manufactured goods to the value of thirteen thousand millions of dollars. According to the Statistical Abstract of the United States, we exported in the year 1900 manufactured goods to the value of four hundred and thirty-three millions of dollars. This was a very large exportation of manufactured goods, the largest in our history up to that time, and we very properly boasted of it as a complete refutation of the Democratic theory that the protective tariff works against enlargement of our foreign trade.

That was a large volume of export of manufactured goods. But when we come to compare the value of the goods exported with the value of the goods produced, we find that the exports amounted to only 3 per cent of our total production. The most reliable figures obtainable to-day show that for the year 1905 there is substantially the same proportion of exports to total production.

Mr. Chairman, the most stupendous fact in all our industrial situation is this, that although we produce—as Mulhall, the great British statistician, shows—about one-third of all the goods manufactured in all the world, our standard of living is so high—we live in such good houses, so well furnished; we wear such good clothes; we eat so much good food; we enjoy so many of the luxuries and comforts of life—that we keep at home for our own use and enjoyment 97 per cent of all our enormous production. Rather than forego the high standard of living of which that is undeniable evidence, we could well afford to throw into the sea the goods that we now export.

But we do not throw them into the ocean; we sell them abroad; and, as a matter of fact, by far the largest part of them is sold at prices higher than those obtained in this country.

AMERICAN SHOES DEARER ABROAD THAN AT HOME.

Last fall at the Minnesota State Fair, which, by its great reputation as perhaps the best State fair in the Union, attracts people from all parts of the country and from other countries, I met my old friend Hon. W. A. Harris, of Kansas. Some of us can remember him as a Member of this House in the Fifty-third Congress and afterwards as a member of the Senate. Mr. Harris is now the Democratic candidate for governor of his State. Personally Mr. Harris and I are excellent friends. Of Mr. Harris as a man I have a high opinion; but we differ radically on questions of politics. As a Member of the Fifty-third Congress he voted and worked for the enactment of the Wilson tariff law, which I as strenuously opposed. He is one of the leading spirits of the so-called "American Reciprocal Tariff League," whose headquarters are in Chicago, with whose purposes and methods I utterly disagree.

Half jokingly and half seriously, Mr. Harris demanded: "Mr. MCCLEARY, why don't you Republicans revise the tariff?" To which, in the same spirit, I responded: "Why should we?" Then, in sober earnest, he said: "Because it is a shame that the protective tariff should be used to extort from the American people high prices for manufactured goods, as is shown by the fact that such goods are sold much cheaper to people in other countries. The American people will not endure this much longer."

To this I answered: "Brother Harris, you have started a line of thought on which it is very easy for even as good a man as you to go entirely wrong, even with the best of intentions. You are evidently in earnest about this, and while we are

waiting for the next lot of cattle to be brought out for exhibition we might as well have a frank talk about this matter. Now, tell me, what American goods are you thinking of as being sold abroad cheaper than at home." "Oh, everything in the line of manufactured goods," he replied.

"That is too indefinite," I answered. "Please tell me some actual case of which you have personal knowledge. You will agree with me that it is neither right nor wise to reach conclusions of large importance except on the sure foundation of an abundance of undisputed and indisputable facts. In the interest of truth, please be specific."

"Well," he admitted, "I have never been in any foreign country, so I do not know any such facts of my personal knowledge. But I am advised on what I regard as good authority that Walk-Over shoes cost $5 in this country and that the same shoe can be bought in England for $3.50."

"Is that as good an illustration as you can think of?" I asked.

"It is," Mr. Harris replied. "I use it, too, because it comes home to the experience of every family. We all buy shoes."

"And are you just as certain of the truth of this allegation as you are of any other on which you base your conclusions?" I asked.

"Yes," he answered; "this is the best illustration that I can think of, and I feel sure that the facts are as I have stated. I haven't any doubt about it."

"Would it alter your opinion in any way," I asked, "if I were to prove to you beyond a doubt that both of the allegations on which you put so much stress and to which you attach so much importance are untrue? If I can prove to you that standard Walk-Over shoes do not cost $5 in this country, and that, on the other hand, they can not be bought in England for $3.50, and that, on the contrary, the Walk-Over shoe costs more anywhere in England than the same shoe costs anywhere in the United States, would that affect your opinion in any way? If I can show beyond a reasonable doubt that the information that has been furnished you and on which you are basing your opinion is wrong in every respect and as to every material fact, would that in any way affect your opinion on the general question?"

He admitted that it would.

"Well," I answered, "right here in my pocket I have proofs that I am sure you will not question. Last year my son and I went to Europe, landing in Naples on May 25. We traveled through many countries, from Italy on the south to Norway and Sweden on the north, and from Hungary on the east to the British Isles on the west. On reaching London, near the close of our trip, my son found it necessary to buy a pair of shoes. We were staying at the Hotel Cecil. At the Strand entrance to the hotel we found one of the London stores of the Walk-Over Shoe Company. This company, as you may know, like some other companies, has its own stores in the larger cities of this country and of Europe.

"Knowing that just such stories as were told to you were being circulated in the United States, I asked my son to take a receipt for the shoes. Here it is. It reads:

WALK-OVER SHOE COMPANY, 80 STRAND, LONDON, W. C.

Branches: London—227 Oxford street, W.; 140 Cheapside, E. C.; 80 Strand, W. C. Manchester—96 Market street. Glasgow—131 Buchanan street. Liverpool—95 Lord street. Belfast—2 Donegal place. Leeds—118 and 119 Briggate. Edinburgh—21 Princess street. Birmingham—Corner of New street and Colmore row, Victoria square.

GEORGE E. KEITH COMPANY'S AMERICAN MADE WALK-OVER BOOTS AND SHOES.

Only one price, 16/6.

Sold by ——— ———. Exd. by ——— ———. Date, 14/8.
Leslie T. McCleary.

	s.	d.
147 GE	16	6
Repairs	1	6
	18	0

Paid.

WALK-OVER SHOE CO.

"This receipt shows that on August 14, 1905, my son, Leslie T. McCleary, bought in London a pair of Walk-Over shoes, size 6, width E, and paid 18s. and 6d., or more than $4 for them, this being the uniform price all over Great Britain.

"My son had his old shoes repaired. That cost 1s. and 6d., or about 36 cents, which to Americans seems a very small charge. This illustrates, by the way, a fact that everyone traveling in Europe soon discovers, namely, that manual labor or almost any kind of human service is very cheap.

"In order that there might be no possible question about the matter, I had my son stand in front of the Walk-Over store window and point with his cane to the advertisement which was on the window in large gold letters, and in that position I 'kodaked" him. Here is the picture. You can see that he is pointing to the words "Only one price, 16/6.'

"When we returned to New York we went to one of the Broadway stores of the Walk-Over Shoe Company, where we learned that in this country the uniform price for the standard Walk-Over shoes, such as he had bought—the price in New York and San Francisco, in St. Paul and New Orleans—is $3.50. This last allegation anyone can test for himself. The Walk-Over patent-leather shoe is $4, but my son's shoes were vici kid, the shoe sold regularly in this country for $3.50.

"So the Walk-Over shoe, to which you referred, costs more anywhere in England than it costs anywhere in this country. And you are wholly wrong in your ground for tariff revison."

Just then a fine bunch of cattle came into the judge's space for inspection, and Mr. Harris and I could not continue further our conversation. So I have never learned how the facts that I produced from my personal experience and of which I submitted proofs, as I do here now, affected him.

TESTIMONY OF AUGUST M. SCHROEDER.

At Lakefield, Minn., lives a gentleman by the name of August M. Schroeder. He is a Democrat. He lives in a strong Republican county. His credibility and standing in the community can be judged by the fact that in a very strong Republican district Mr. Schroeder was a few years ago elected to the legislature of Minnesota.

Two years ago I went to Jackson, the county seat of the county in which Mr. Schroeder lives to make a speech. Mr. Schroeder was there at the time. Though we differ in political faith we are good friends personally. Mr. Schroeder had just returned from Europe, where he had been for several years representing the International Harvester Company. As I was going to discuss the question in my speech I asked Mr. Schroeder to tell me frankly and fully how the prices charged in Europe by his company compared with the prices that it charged in this country for the same machines. He answered that the prices charged in Europe were almost invariably higher than those in this country for the same class of machines sold under the same conditions. Out-of-date machines, not generally salable in this country, could sometimes be sold abroad. If so, they were sold cheaper than the up-to-date machines. But so they are in this country. Sometimes, in the case of a large sale for spot cash, regular prices would be shaded; but so they would be in this country.

Mr. Schroeder summed the matter up by saying: "You may quote me as authority for the statement that, conditions being the same, prices in Europe are higher than in the United States for the same machine."

TESTIMONY OF B. B. SONTAG.

One of the best known and most highly respected business men of Heron Lake, Minn., is Mr. B. B. Sontag, vice-president of the Western Implement Company, jobbers and retailers of farm machinery and dairy supplies. Mr. Sontag is a Republican. He was born in Bohemia. He recently visited his native land.

Mr. Sontag writes me that on "market day" in Prague, the capital of Bohemia, "when everything is on exhibition and for sale," he found the following American goods among others for sale at the prices stated:

McCormick and Deering mowers, 4-foot cut, at what would be about $92 in American money.

Five-foot spring-teeth seeders, at what would be about $94.50 in our money.

Eight-foot horse rakes, at what would be about $42 in American money.

All of these prices, Mr. Sontag says, are far higher than the same articles cost in the United States.

Mr. Sontag writes me that he paid what would be $1.10 in American money for a pair of American-made rubbers that would have cost 85 cents in Heron Lake. And all other American goods that he priced abroad he found selling in Europe higher than in the United States.

Mr. Sontag takes issue with Tom Watson in his recent article in "Watson's Magazine" on prices of American-made farm machinery in South America as compared with prices for the same articles here. He says that Mr. Watson is "away off" on his "facts." For instance, Mr. Watson quotes certain mowers as selling at $65 in this country and at $40 in South America. Mr. Sontag says that the mowers referred to sell in Heron Lake for $38, and he holds himself ready to "deliver the goods" if Mr. Watson will put up the cash.

OTHER ILLUSTRATIONS.

I would be glad to go on by the hour giving my own personal experiences in pricing American goods in different countries if time permitted. But the sum and substance of the whole mat-

ter is this, that practically without exception I found that American goods are sold abroad at a higher price than at home, just as "imported" goods here sell at a higher price, as a rule, than domestic goods of the same kind, and higher than they sell in the countries where they are produced.

For example, we used a great many kodak films in taking pictures in the different countries of Europe. These films, for the size of kodak that we use, cost in this country 50 cents a roll. Nowhere in Europe could we buy the identical film for less than 60 cents a roll, and in some countries we had to pay as high as 75 cents a roll. That is, the Eastman kodak films, made in Rochester, N. Y., cost from 20 to 50 per cent more in Europe than in the United States.

Now, for one other illustration of many that could be given and I shall pass to another phase of the question.

Here in my hand I hold a copy of the British Ironmonger, a well-known English trade magazine, published in London, to which I have already referred, and to which I shall ask your attention again later.

Here on the last advertising page inside the cover you can see a large quarter-page advertisement of the well-known "Ingersoll" watch, made in the United States and sold in this country everywhere for $1. You will note that in this English paper it is advertised for sale in England at 5 shillings, or about $1.22 of our money; that is, this watch is sold in England 22 per cent higher than in this country. [Applause.]

RAINEY'S WATCH STORY.

Speaking of watches reminds me of my talented friend from Illinois [Mr. RAINEY], who some weeks ago made a speech on this floor that has echoed all over this country. It takes quite a man to say a thing so as to command the attention of a county. He is a more than ordinary man who can so speak as to get the ear of the people of a State. But what shall be said of a man who by force of his utterance carries a great truth into even the remotest hamlets of this great country? It is an accomplishment of which any man may well feel proud. This was achieved in a remarkable degree this winter by my friend from Ilinois [Mr. RAINEY]. There is scarcely a newspaper in the land so great or so small that it did not carry his name and his message. And by reason of his very forceful and dramatic presentation of his thought, he attracted the attention of millions of people to a truth of far-reaching importance, and has performed in that way an exceptionally valuable service to the Republic. I am not sure that even he himself appreciates either the nature or the extent of the service that he has rendered to the people of this country.

That service did not lie in either of two directions that might occur at first thought to those who heard the speech.

That service was not in the advertising that my friend gave, unintentionally I hope and believe, to a deceptive method of selling goods that is being worked on the people of the United States by a man doing "business" in New York. That business has been so shrewdly advertised that even as bright a man as my friend from Illinois might well be pardoned for being caught by it.

In his newspaper advertising this New Yorker offers well-known watch movements at very low prices, but he avoids prosecution for fraud by plainly stating that he "will not sell movements apart from cases or cases apart from movements."

MY PICTURE AND FRAME EXPERIENCE.

This reminds me of an experience of my own, when I was a good deal younger than I am now. A pleasant-faced stranger approached me with this proposition: "You are a prominent man in this community. I represent a house that does excellent work in making portraits from photographs. My company is not well known in this section, but here is a sample of our work. You can see that it is fine work, but you can not tell whether or not it is a good likeness, because you do not know the man whose portrait it is. That is my trouble in making sales here. What I need is an order from a man whose personal appearance is well known in this section. You are better known than any one else. Now, I am specially anxious to make a portrait of you that I can refer to. If you will let me have one of your photographs, I'll make the portrait for you without charging you a cent, provided that you will allow me to have a duplicate made for myself." Well, I could hardly ask him to do better than that, so I gave him one of my photographs.

This matter having been arranged, this pleasant-faced gentleman said: "Before you present this fine portrait to your wife, you will want it suitably framed, will you not? It will then be ready for your wife to set up as a memento of your thoughtful kindness. My house handles frames of all kinds in large quantities, and I'll get you a suitable frame at cost." This appeared to be reasonable, and I selected a frame at an agreed price.

In due season the framed picture arrived, and it was all that I had expected it to be. I felt duly elated, and began to have some appreciation of the worth of being a "prominent man in the community," who could thus get so fine a portrait at such a bargain. Having had my "portrait" made, I naturally took more notice of portraits and frames than I had ever taken before, and I gradually came to know more about the values of such things. It was not very long before I discovered that I could have got as good a portrait and as good a frame right at home for less money. The pleasant-faced gentleman did indeed give me the portrait free, but on the combination of portrait and frame he made a handsome profit. [Laughter.]

And that is the way in which the "business man" of lower Broadway operates. The talk of the "reimportation" is simply a device to attract attention—simply a way to get a lot of free Democratic advertising. He advertises well-known movements at a low price, but he frankly notifies you that he will not sell you the movement except in connection with a case. I was younger than I am now when I got caught on the "picture-and-frame" game, and I think that the person would have to be quite young who would get caught on this "movement-and-case" game. The trick may be still fresh enough to catch gudgeons "down on Broadway," but it is too old and threadbare to catch the people of the Middle West, except one here and there. My friend's service to the country was not in advertising that New York fakir.

MAINLY CHEAP WATCHES.

Nor was the statement of the gentleman from Illinois important as to the number of American watches reimported during the last two years by this "business man" of New York, this "typical Democrat," as he was called by the gentleman from Illinois in his remarkable speech. The New Yorker did not reimport the number of watches that my friend was led to believe, nor were they of the grade of watches, in the main, that my friend has been led to suppose. In his speech the gentleman from Illinois claimed that these reimportations in the last two years represented a value of $130,000. When I heard that statement I resolved to investigate it. So I asked Hon. J. B. Reynolds, the Assistant Secretary of the Treasury having charge of customs matters, to have the custom-house records examined and let me know, as a matter of curious though not specially important information, just how many watches and of what value the New Yorker had actually reimported. Here is the letter of the Assistant Secretary in response to my inquiry:

TREASURY DEPARTMENT,
Washington, April 21, 1906.

Hon. JAMES T. MCCLEARY,
House of Representatives, Washington, D. C.

MY DEAR MR. MCCLEARY: I was informed by the Waltham Watch Company people that the three places at which Charles A. Keene had brought in watches were New York, Rouses Point, and Detroit.

The collector at Detroit reports that no watches were imported there during the past two years. At Rouses Point, during the same length of time, the importations of Mr. Keene were 422 American watches with movements, valued at $3,188, and 180 American movements, valued at $1,296, imported by another individual, but consigned to Keene. At New York Keene's importations for the last two years were 8,287 watches and 1,979 movements, at a total value of $48,787.

If you wish any further information along this line, please let me know, and I will get it for you at once.

Very truly, yours,
J. B. REYNOLDS,
Assistant Secretary.

This letter shows that the total value of the American watches reimported by this "typical Democrat" was very much smaller than had been asserted. And even a very brief and hurried computation will show that, as was stated by the other gentleman from Illinois [Mr. BOUTELL]—who recently discussed this subject so ably—the watches reimported must have been in the main very cheap watches, because their average value as declared in the invoices was very small.

RAINEY'S REALLY VALUABLE SERVICE.

But my friend from Illinois [Mr. RAINEY] did render the country a very great service by his speech. The important fact brought out by the speech of the gentleman from Illinois [Mr. RAINEY]—the fact of vital importance for the American people to know, the fact which no ordinary statement of the matter would have impressed on their minds, a fact so simple and yet so important that it could be impressed as durably as it deserves only in some such dramatic way as that adopted by the gentleman from Illinois—is this, that in that wonderful law which bears the honored name of Nelson Dingley, our present tariff law, is a section, No. 483, under which American goods that have been exported can be reimported *absolutely free of duty!* It is probable that neither the existence of this provision in the law nor the tremendous importance of it was known to one in a thousand of even our best-informed citizens before Mr.

RAINEY made his famous speech. It is doubtful if as many as one in ten of the Members of this House, even, were cognizant of the important fact brought out so impressively by the gentleman from Illinois. But now, thanks to my friend, the fact is known in every community in this great Republic. [Applause.]

And, Mr. Chairman, this fact being known, the people can readily understand how little importance to attach to the stories about "sales abroad cheaper than at home." Every person with an ounce of gray matter in his head can understand that with section 483 in the tariff law, under which American goods that have been exported can be reimported in the same condition absolutely free of duty, it is impossible, so far as the tariff is concerned, that there should be any very large amount of selling abroad cheaper than at home. If any line of goods were regularly sold abroad in large quantities at a reduced price, enterprising Americans, like the "typical Democrat" referred to in the speech under consideration, would go into the business of reimporting such goods and selling them here below the regular market price with profit to themselves. It matters not how much or how little the Broadway gentleman does of this, the fact that he can do it at all shows the possibilities of section 483 if any great quantities of American manufactures were habitually sold abroad cheaper than at home.

WHY DON'T THEY REIMPORT?

As a matter of fact, with section 483 in our tariff law, this country's tariff law is exactly of the same import as Great Britain's so far as reimporting exported goods is concerned.

If the tables of comparative prices at home and abroad published by the Democratic committee two years ago and recently republished in the RECORD are regarded as bona fide, and if our Democratic brethren honestly believe that great quantities of American goods are being sold abroad cheaper than at home, why in the world don't some of them take a trip to Europe and pay for it by bringing back with them some of the articles referred to and selling them in the market here at home? Ocean freight rates, especially westward, are very low. Let them do this or quit talking.

While the revelations made by the gentleman from Illinois of the existence of section 483 and what can be done under it will completely answer and utterly demolish all the foolish talk of Democratic campaign orators and editors as to American goods being habitually sold abroad cheaper than at home, and while my friend has probably thus rendered to his party the very opposite service from that intended by him, he has really and in fact rendered so important and valuable a service to the truth and to his country that he can be well satisfied with himself, and his countrymen, especially we Republicans, are certainly profoundly grateful to him. [Loud applause.]

EXPORT PRICES OF GERMAN COKE.

One of the important exports of the German Empire is coke. It is sent to all parts of the world, including the United States.

From the imperial statistical publications of Germany the following table, showing the average export prices of coke for the year 1904, has been made up for me by Hon. Brainard H. Warner, jr., of this city, who was for many years United States consul at Leipzig, Germany, and who resigned voluntarily a short time ago to return to the United States and practice law.

The Germans are a thoroughgoing people, who always endeavor to "know what they are doing." The data for the figures given below came from the reports of a special commission appointed by the Crown, to which commission all exporters must make detailed reports. So these figures are based on the best possible authority. The prices are in marks per metric ton. A mark is worth in our money 23.8 cents, and a metric ton weighs 2,204 pounds. These are export prices at the German frontier.

Switzerland	28
France	25
Italy	23
Denmark	20
Austria-Hungary	19
Roumania	19
Hamburg (free harbor)	19
Belgium	18
Russia	17.5
Netherlands	17
Spain	17
Greece	16
Norway	16
Sweden	16
Finland	16
Turkey	15
South Africa	15
China	15
Chile	15
Mexico	15
Peru	15
Australasia	15
United States	15
Great Britain	14

I assume that everyone in the House knows that on all goods for export Germany's Government-owned railroads make special export rates for transportation to the frontier. In other words, the German Government encourages export trade to the utmost, even at prices lower than those prevailing at home, regarding this as good public policy.

From other German statistical authorities Mr. Warner has also, at my request, made up for me the following table, showing the wholesale prices of coke in certain typical cities in Germany, showing the range of home prices for coke during the same period:

Berlin	25.50–28.50
Magdeburg	22 –26
Mannheim	22.50–23
Munich	28.50–31.90

Thus it will be seen that, with one or two exceptions, the export price of coke delivered at the German frontier was lower than the lowest price in any of those home cities, where the prices may be taken as typical of the range of domestic prices.

But my friend the gentleman from Mississippi [Mr. WILLIAMS] may object that this testimony is of no value, because Germany has the protective-tariff system, and he claims that the selling at lower prices abroad than at home is characteristic of that system, and that therefore my illustration sustains his contention instead of disproving it. Unfortunately for the Democratic contention there is no duty on coke in Germany; coke is on the German free list. So these facts sustain our contention—that export prices are determined by questions wholly apart from the nature of the tariff in the country of export.

BRITISH DOMESTIC AND EXPORT PRICES OF STEEL RAILS.

Inasmuch as most of the agitation for tariff revision because of lower foreign prices is based upon certain exceptional sales of American steel rails to Mexico and Canada a year or two ago, which were charged to our protective tariff, I had a curiosity to ascertain whether or not such incidents ever occurred in England, with its strictly nonprotective tariff. The English domestic prices of steel rails are given in a number of periodicals there, just as ours are here. Among the most reliable of the English periodicals giving the iron and steel markets is The Ironmonger. In order to get the range of domestic prices of steel rails in England during the year 1905, I borrowed, at the Bureau of Statistics of the Department of Commerce and Labor, the entire file of The Ironmonger for 1905, and myself made the computations. In that way I found that the prices of steel rails in Great Britain during 1905 fluctuated all the way from $24.30 a ton to $29.16, the average for the year being about $26.65.

The British Government has an official publication corresponding to our Monthly Summary of Commerce and Finance. It is called "Accounts Relating to Trade and Navigation." Here in my hand I hold the "Accounts" for December, 1905. Here, on pages 120 and 121, I find the quantities and values of exports of steel rails to different countries, the quantities being given on page 120 and the corresponding values exactly opposite on page 121. From the figures here given I have made up the following table of export prices of steel rails from Great Britain during the year 1905, translating the prices into American money:

Countries.	Tons exported.	Price per ton.
Sweden	23,390	$22.42
East Africa	37,325	25.23
Chile	16,141	24.36
Argentina	103,913	23.11
South Africa	28,450	24.85
India, Ceylon, Straits Settlements	167,364	21.89
Australia	15,154	25.16
New Zealand	19,679	25.72
Canada	31,455	24.85
Other countries	103,771	23.86

Comparing these export prices with the domestic prices given above, we find that the steel rails exported from Great Britain during 1905 were all sold lower than the average domestic price, and most of the rails exported were sold below the lowest domestic price. Evidently such sales of steel rails in England are not due to the protective tariff, because Great Britain has no protection in her tariff.

REPORT OF INDUSTRIAL COMMISSION.

The most valuable investigation ever made into this subject in this country was made in 1901 by the Industrial Commission, appointed under authority of an act of Congress to investigate and report on industrial conditions. The Commission was nonpartisan or panpartisan, and its investigations were conducted beyond question in the spirit of scientific investigation. The report of the Commission covers nineteen volumes. In Volume

XIII are given the results of its investigations on the subject of foreign and domestic prices.

The Commission received answers from 416 institutions that were engaged in exporting. The summary of these replies is given in Volume XIII, beginning at page 725. The thirty-six pages of the report devoted to this subject are well worth the careful study of all inquirers in this field of investigation.

After reading this report I had the results put into tabular form, as follows:

Industries.	Reporting.	Higher.	No lower.	Same.	Lower.	Variable.
Machinery and metal products	195	27	97	32	22	17
Agricultural implements and vehicles	38	9	22	4	3	----
Leather goods	23	7	11	3	2	----
Wood manufactures, paper and pulp	41	6	18	14	3	----
Textiles	16	2	13	----	----	1
Food products, tobacco, etc.	19	2	11	----	4	2
Miscellaneous	57	2	31	13	5	5
Total	389	55	203	66	39	25

That is, Mr. Chairman, of the 416 industrial institutions reporting to the Commission, 55 always sold higher abroad than at home, 203 sold no lower abroad than at home (often higher), 66 sold at the same prices at home and abroad, 39 sold for less abroad than in this country, and 25 sold higher or lower according to conditions of the market.

Of the 416 reports a few were difficult to tabulate exactly.

From the tabulation it will be seen that only about 10 per cent of the institutions report lower prices abroad than at home, and in practically every instance the amounts thus reported were very small. It is a fair estimate to say that not over 1 or 2 per cent of the total exports were at a price lower than that received at home.

SUMMARY AS TO SALES ABROAD AND AT HOME.

Summing up what I have brought to the attention of the committee on this subject, which could be corroborated by an enormous mass of other evidence, the following facts and conclusions seem to be established:

Our sales in other countries are very small compared with our total production—our own country, with its high standard of living, furnishing a market for about 97 per cent of our manufactures and about 94 per cent of our farm products. This is the most important fact in our business life, and this market is worth more to us than all the other markets in the world. Under no circumstances should this market be endangered.

Our products sold abroad generally command higher prices in the countries where they are sold than in the United States, this being true as to at least nine-tenths of our exports. But the foreign market is far away and unreliable, subject to many conditions beyond our control. Mighty Russia, fighting at long range, was beaten by little Japan fighting at short range. Commercial contests largely follow the same principle. It would be unwise to trade off any part of this near and reliable market in the vague hope of "opening foreign markets."

Minneapolis flour can often be bought cheaper in Iowa than in Minnesota, and Scotch and English steel plates can be bought cheaper in Belfast, Ireland, than in Scotland or England. In these cases the tariff plainly has nothing to do with the reductions in price, for there is no tariff. And investigation will show that reduced prices outside the usual markets are more frequent within countries than between countries, more common in the domestic trade of every country than in the foreign trade of any country.

Our anthracite coal is sold cheaper for export to Montreal than in St. Paul, and our kerosene oil is sold cheaper for export to England than in the United States. Yet anthracite coal and kerosene are both on our "free" list. German coke is sold cheaper for export to the United States than in Germany, and English steel is sold cheaper for export to Sweden than in England. Yet both of these products are on the "free" list of the countries exporting them.

As to the relatively small amount of American goods sold abroad cheaper than at home, every dollar's worth is thus sold for a business reason wholly apart from the fact of our having a protective tariff. Generally the goods thus sold constitute a surplus that can not be sold in this country. Sometimes the goods are out of date in this country and yet can be sold in countries less advanced in these lines. Moreover, most of the sales are for cash, so that there are no expenses for collection and no fear of losses from bad debts. Cash buyers at home, by the way, can always get a discount. Some of these sales, too, are in fact brought about by tariff agitation. As the report of the Industrial Commission shows, some manufacturers force sales abroad so as to have a market there for their goods in case through tariff revision we should have hard times in this country.

Every man of business experience knows that continuous production results in lower costs than intermittent production. So that the hundreds of millions of dollars' worth of American manufactures sold abroad each year have three results beyond any doubt: The manufacture of them furnishes work to tens of thousands of American workmen at American wages. This furnishes at home a market for millions of dollars' worth of American farm products. And that part of the product that is sold at home is sold cheaper than would be possible if there were no sales abroad. We naturally and properly desire to extend these sales abroad, even if some of the sales be at a reduction. But we must remember always that our home market is even more valuable than the foreign market can ever be.

So long as section 483 of the Dingley Act remains a part of our tariff law—which section provides that American-made goods shipped abroad can be reimported in the same condition absolutely free of duty—it will be impossible for any American producer to sell habitually and in large quantities abroad much cheaper than at home, because ocean freights are very low, especially toward this country, and any American producer who might attempt such a thing would soon find his goods coming back and entering into competition with him in the home market.

ARE PRICES OF FARM PRODUCTS MADE IN LIVERPOOL?

In the agricultural States the appeal is made to farmers that protection is against their interest. They are told that the prices of their products are fixed in Liverpool. How much truth is there in this claim? Like many another Democratic assertion, this one contains just enough of truth to make it misleading and dangerous.

Liverpool is a large buyer of certain kinds of farm products, notably wheat. The Liverpool importers naturally buy as cheap as they can the supply required by their customers. If that supply be hard to get, the price paid by the Liverpool importers will of course be higher than if the supply be abundant and obtainable from many sources.

If the question were put to a Liverpool importer of food products, he would answer: "No; we do not fix prices for the world. The world fixes prices for us. Our people must eat or die. We raise at home only part of our food supply and must depend on the world outside to furnish us the rest. If the world has a large supply of what we want, and if by reason of that fact we can get our supply at any one of several places, we feel quite independent and can go far toward dictating the price at which our people may be fed. But if the supply be hard to get, we must pay what is demanded of us. Being without a sufficient home supply, we are naturally the dependent ones. Briefly, the truth is that any country that must find abroad a market for a large surplus is more or less dependent on us. The less surplus a country must find a market for the less we can dictate to it. And if a country has no surplus, but consumes at home its entire product, that country is entirely independent of us."

Pembina, N. Dak., and Emerson, Manitoba, are two villages on the Canadian boundary line where the Red River of the North crosses that line. They are in the midst of a great wheat-raising region. The two villages lie side by side. They are on the same river and are served by the same railroads. They are equally distant from Liverpool. According to Democratic theory the price of wheat should be the same in the two villages; but it isn't. The wheat of the farmer who markets at Pembina always brings more, often 15 to 20 cents a bushel more, than the wheat raised on the adjoining farm brings to the farmer who must sell at Emerson. How can this well-known fact be explained by Democratic theory? It can't. The Democratic theory is plainly wrong.

Why is it that wheat raised on two adjoining farms and marketed in two adjoining villages brings such different prices? The answer is easy. It is because the two farms and the two villages are in two different countries, Pembina being in the United States and Emerson in Canada.

But what has that to do with the case? Everything. Canada produces an enormous amount of wheat beyond what can be consumed in Canada. This enormous surplus has to find a market in other countries. The Canadian farmer can ship his wheat through the United States "in bond" free of duty, but he can not bring his wheat into the United States to sell without paying the high duty or tariff of 25 cents per bushel imposed on it by our law. His wheat can enter England free of duty, so

most of the surplus wheat of Canada goes to Liverpool, and the price of the Canadian farmer's wheat is therefore largely "made at Liverpool."

Manifestly Liverpool can not fix two prices for the same product at the same time marketed under the same conditions, and the price of the American farmer's wheat, therefore, is not "fixed in Liverpool."

The American farmer's wheat is higher in price than the Canadian farmer's. Why? Because the American farmer, living just across the boundary line in the United States, has this great and populous country, with its vast numbers of well-paid workingmen, for his market, a market made for him by a protective tariff on other men's products and preserved to him by a protective tariff on his own, a market that is becoming more and more capable of consuming the entire product of the American farms.

The American farmer marketing at Pembina has daily evidence easily understood of the value to him of the protective tariff. And the other farmers of the United States understand the matter better than Democratic politicians give them credit for understanding it.

In 1905, according to the United States Statistical Abstract for that year, the United States furnished a market for over 92 per cent of wheat raised in this country, and our farmers had to find abroad a market for less than 8 per cent of their wheat. And that small surplus could find a market in many places other than Liverpool. So the price of wheat at Pembina and throughout the United States is fixed almost wholly in the American market and is practically independent of the Liverpool market. As to many other farm products, we have long been thus independent.

And, sir, one of the prominent purposes of the protective tariff is to render our American farmers independent of the uncertain and fluctuating foreign markets, where they have to meet the competition of all the other countries of the world, and give them at home the best market on earth.

THE "AMERICAN RECIPROCAL TARIFF LEAGUE."

An organization that seems to have for its prime object the breaking down of our protective tariff system is the so-called "American Reciprocal Tariff League." How did it come into existence?

About a year ago powerful interests moved to hold in Chicago a meeting of persons who desired to "revise" the tariff along the lines of what they chose to call "reciprocity." A tremendous effort was made to get up a big meeting. The name of William McKinley was used to conjure with, and parts of his speech at Buffalo were taken from their context and thus made to appear to indorse this so-called "reciprocity" movement. Advertisements were published far and wide to the effect that the movement had the indorsement of President Roosevelt, and that the President, or at least some members of his Cabinet, would be present. The time for the convention arrived, but President Roosevelt did not attend it. Neither did a solitary member of his Cabinet. Nor did the President or any member of his Cabinet even so much as send a letter expressing either approval or indorsement of this movement. This was a sad blow to the promoters of this "movement in the interest of the common people." But the real promoters of the movement had everything to gain and nothing to lose in the matter, so they held the convention.

The convention had been called to promote "reciprocity," as the promoters claimed. And delegates attended from quite a number of States. Their idea of "reciprocity" was that part of the duty now levied on certain articles produced in this country should be removed as a "concession" to certain foreign countries as an inducement to those foreign countries to reduce their duties on certain other articles of American production. But it soon became evident that each of the patriots assembled proposed that industries other than his own should bear the sacrifice, while his should reap the benefit. Their patriotism was of the kind of Artemus Ward, who during the civil war expressed himself as willing to furnish to his country's service a regiment composed of his wife's relations.

SHORT-SIGHTED SELFISHNESS EXHIBITED.

It soon developed that the Massachusetts delegates to this "reciprocity" convention had it in mind to reduce duties on farm products in order to get "concessions" from Canada on certain manufactures of Massachusetts, while the delegates from the farming States of the Middle West had it in mind that the proper method of "reciprocity" would be to reduce our tariff on manufactured goods, and thus get "concessions" that would "open new markets for farm products." In other words, each of these patriots was willing and anxious to sacrifice any and every other interest to benefit his own.

It need hardly be stated that this convention utterly failed of its purpose. Each interest refused to be sacrificed. And the convention was not able even to agree on a statement of what it meant by "reciprocity." So in the declaration of "principles" that they finally managed to frame they could do no more than to make general recommendation of a revision of the tariff, the readjustment to be along the line of "maximum and minimum" rates, each secretly hoping that in the "mix up" he could get special advantages for his industry.

No more contemptible exhibition of desire to wreck others for one's own advantage has ever come under my observation.

ANOTHER "TWO-FACED" CAMPAIGN.

Before adjourning, after reaching its lame and impotent conclusion, the much-heralded "reciprocity convention" arranged for the appointment of an executive committee to keep alive the "movement." Thus was born what is known as the "American Reciprocal Tariff League." This "league" has headquarters and a force of employees in Chicago. Somebody evidently believes that "there's money in it;" for it takes money to print and circulate the enormous quantity of literature that the league is sending out.

An examination of this literature will show the method being pursued. This league has many faces. It is "all things to all men." In Massachusetts it advocates the "Boston idea" of reducing or removing the duties on farm products, so as to secure cheap food and to gain concessions in foreign countries for "an enlarged market for American manufactures." In the agricultural States the league is advocating a reduction of duties on manufactured goods in order to make such goods cheaper to the farmers and to gain concessions from foreign countries through which to "extend the market for farm products." The policy of the league is wholly insincere and inconsistent, the basis of it all being an appeal to petty, short-sighted selfishness—a selfishness so short-sighted that it would, if allowed a free hand, inevitably defeat itself.

WHAT GOVERNOR CUMMINS SAID.

One of the star performers at the "reciprocity convention" was the governor of Iowa, Hon. A. B. Cummins, who made one of his flowery speeches, which sound so well and mean so little. But in view of the fact that Governor Cummins has ceased to refer publicly to this "movement," it may be fairly inferred that he has become disgusted with its evident littleness and insincerity. If this be true, it is greatly to his credit.

But even Governor Cummins practically admits that this "reciprocity" movement expects the farmers to make the sacrifices on which it is hoped that other men may reap the benefit. In his address on the occasion of his second inauguration as governor of Iowa, he said:

> It has been said that in order to obtain these changes it will be necessary for us to let into our markets Canada's agricultural products, or some of them. I believe this to be partially true; but let me ask the farmers of Iowa whether they think they would lose in the exchange? Which would you rather do, lose the market which would be created by our vast imports into Canada, or meet Canada in competition in the things which you produce? I assert confidently that in the sharp struggle with Illinois, Wisconsin, Minnesota, the Dakotas, Nebraska, Kansas, and Missouri you would never be able to discern the influence of Canada in corn, oats, barley, hay, cattle, horses, hogs, butter, and eggs.

And in the course of a joint debate in Boston last November between the governor and myself I put to him this question: "In the Dingley tariff law there is a duty of 6 cents a pound on butter, 5 cents a dozen on eggs, 25 cents a bushel on wheat, and 30 cents a bushel on barley. These are samples of duties on farm products. If you were making a new tariff law, Governor, would you reduce these duties, or would you advance them, or would you 'stand pat' on them?"

The real attitude of the governor may be gleaned from his answer, though it was not as straightforward and definite as one would expect. He said: "Sir, I believe that the American hen is not afraid of the hen of any other country on earth; and I believe that the American cow can hold her own against the cow of any other country in the world."

Of course, Mr. Chairman, "the American hen is not afraid of the hen of any other country on earth." But what does the American farmer's wife, who searches the haymows and the fence corners for eggs, or who has expended of her savings from the products of her fowls the money with which to erect a comfortable hennery—what does she think of the prospect held out to her as the object of these promoters of "reciprocity," the prospect of Canadian competition in our own markets in order that Massachusetts manufacturers may sell more goods in Canada? Perhaps the intelligent farmer's wife, who often proudly clothes herself and her children and provides schoolbooks out of the proceeds of her chickens and eggs—perhaps she will meekly submit to be sacrificed as proposed by these gentlemen, but I don't believe it. Perhaps the farmers

who are interested in cooperative creameries and cheese factories and who produce wheat and barley will help on this movement, but I doubt it.

WHAT EUGENE N. FOSS SAID.

Another "patriot" who attended that convention with the view of effecting some arrangement that would grant concessions on other men's products that would enable him to sell abroad more of his manufactures, is the leader of the "reciprocity" movement in New England, Hon. Eugene Noble Foss, of Boston. Personally he is a genial gentleman of whom I am very fond. But with him this movement is "business."

Here are some of the things that Mr. Foss said in a speech on "Trade relations of the United States and Canada," delivered on November 28, 1904, before the Canadian Club, of Boston, at the Hotel Vendome, in that city. This sample utterance will reveal to the farmers of the Middle West what this ardent advocate of "reciprocity" sees in that movement for the farmer. Here on pages 3 and 4 of the pamphlet containing Mr. Foss's speech, which pamphlet I received from himself, so that it expresses his unquestioned position, I find the following. On page 3 he had given a list of products which were exchanged between Canada and the United States during 1903, most of them being products of the farm. Then he said:

Now, here is a natural and necessary trade of $55,000,000, and which might be two, three, or four times that amount, hampered and harassed by tariff restrictions which are of no possible benefit, but, on the contrary, work absolute injury to every interest concerned.

Now, I believe, for one—and I intend hereafter to insist upon the belief to the limit of my power—in making a start toward reciprocity by either abolishing or radically reducing the duties on all the articles in this list. If Canada prefers to keep on her more moderate duties, where she levies them, to her own privation, let her do it, but that is a poor reason why we should.

The Home Market Club has finally been forced to concede us coal and iron ore, and William Whitman gives us lumber.

In both these statements I have the best of reasons for believing that Mr. Foss is in error. The Home Market Club, of Boston, and William Whitman both stand unequivocally for adequate protection to *every* American industry, for protection as a national policy, administered without favor to any, but with equity to all. And for this reason, by the way, the Home Market Club, like the American Protective Tariff League, is charged by the enemies of protection in the East with fighting the battle of the farmers of the West.

But let us listen further to Mr. Foss:

In regard to hay, meats, vegetables, fruit, and eggs, I doubt if a government could stand against the demand for a removal of the duties on them if the people should make this a distinct issue, as they will before long.

How will the farmers of the great Mississippi Valley and elsewhere regard a movement engineered in part by Mr. Foss, with that kind of a platform? But listen further to Mr. Foss:

In regard to one more prominent item—breadstuffs, it is now fully recognized among those whose opinion is worth anything that we must either make wheat free, and promptly, too, or prepare to suffer disaster in our milling industries.

As to barley, the outrageous duty upon that and upon the malt made from it is the heaviest burden which our great brewing industries are called upon to bear.

Where can there be any argument or controversy on this great question as I have presented it?

I respectfully submit Mr. Foss's question to the men who produce the articles on which he thus proposes to "abolish or radically reduce" the tariff duties. It will be noted that not a single prominent industry of Massachusetts is marked for the slaughter by Mr. Foss. He is like the rest of the reciprocityites, a perfect type of them, in proposing that all the burden of the "movement" shall fall on others than the promoters of the "movement."

Mr. Foss is a prominent member of the executive committee of the so-called "American Reciprocal Tariff League." Judging from what Mr. Foss says when talking among his own people in Boston, about how much support ought the farmers of the country to give him and the "league" of which he is one of the promoters?

WHAT HENRY M. WHITNEY SAID.

What Eugene N. Foss is among the Republicans of Massachusetts Henry M. Whitney is among the Democrats of that State. Each in his field is the leading advocate in Massachusetts of the movement for which they have adopted the pleasant-sounding name of "reciprocity." I am well acquainted with quite a number of the leaders of this movement in Massachusetts and elsewhere, and they all impress one as being excellent gentlemen personally. Of them all, however, I am inclined to like Mr. Whitney about the best. This is primarily because he is the most frank and outspoken in his views. With him the whole movement is frankly to promote the interests of Boston. The view is narrow and selfish, but that is the view which he entertains, and he is frank enough to state it in its naked narrow selfishness. Listen to some typical utterances of this gentleman, who, like Mr. Foss, is a member of the executive committee of the American Reciprocal Tariff League.

Last year Mr. Whitney was the Democratic candidate for lieutenant-governor of Massachusetts.

In a speech at Greenfield, Mass., on October 17, 1905, Mr. Whitney said:

Massachusetts has within her borders but few of the raw materials requisite for her industries. She obtains not only her raw materials, but substantially all her food supplies, from distant regions. Is it not clear, therefore, that it is in the interests of Massachusetts and all her people that they should be able to get their food supplies and raw materials as cheaply as possible and build up their trade with the people that are in close proximity to them? That is the whole case.

In a speech at Pittsfield two days later, Mr. Whitney said:

If the workmen of Massachusetts may be allowed to *exchange freely* the products of their labor for the products of the *Canadian farmer*, fisherman, lumberman, and miner, both parties will be benefited. We want their lumber for our houses, their fish and potatoes and oats for food, and we wish to pay for them in shoes and other products of our own labor. Since they are near us, we can exchange with each other on the most favorable terms. It is for this that the host of business men arrayed under the banner of reciprocity are battling. For the chance of strengthening and developing our industries, giving to our laborers permanent and profitable employment, by giving an opportunity for *free and unrestricted trade*, so far as that may be practicable, with customers geographically and naturally allied in trade relations. We are seeking for the adoption of a policy that shall tend for the further opening of that already half-open door to Canadian trade as against the policy that is gradually tending to close it.

These were no chance utterances, but the expression of an opinion long entertained and of a policy long advocated. In a speech in Tremont Temple, Boston, on October 11, 1905, Mr. Whitney had already said:

BECAUSE STATE LACKS THE RAW MATERIALS.

Now, why is it that so much has been said of late respecting the question of reciprocity? It is because Massachusetts, having within her borders few or none of the raw materials for her several industries, feels more and more the increasing competition with other localities more favored in proximity to the source of raw materials and to the trade centers.

* * * * * * *

The greater cost of the raw materials and the greater cost of transportation to market constitute an increasing menace to many of our industries. Already we have suffered from these causes. The census of 1900 showed that in the ten years Massachusetts, while still fourth in value of manufactures, was only sixth in net increase, and in percentage of increase only one State, Oregon, made a smaller showing. Of the twenty-one leading industries five absolutely declined, while boots and shoes stood almost still and cotton showed a gain of only $10,000,000, against gains of $19,000,000 for South Carolina and $18,000,000 for North Carolina.

An essential in meeting this situation is to obtain, if possible, cheaper raw materials. The hides that go into our shoes, the iron ore that goes into our machinery, the lumber that goes into our buildings and our ships, the wood pulp that goes into our paper, and the coal which we use in all our industries, all these are taxed. The removal of the import duties on these materials would help offset our handicap. The tribute, moreover, which we pay to the railroads on *such food products as must be obtained in the distant West* of our own country, and which *greatly increases the cost of living* to our people, would be saved to them if we could purchase these necessaries in the *nearer and cheaper market on our north by removing the tariff imposts which now so effectively prevent our obtaining cheap Canadian wheat, oats, barley, beans and peas, hay, apples, potatoes, butter, and corn.*

LET OUR FARMERS THINK OF THIS.

More than a year earlier than that, in Faneuil Hall, Boston, on the evening of May 16, 1904, Mr. Whitney had spoken along the same lines, saying, among other things:

[Boston Herald, May 17, 1904.]

But the State of Massachusets is now rapidly falling behind other sections in the growth of her manufacturing industries. During the past decade, ending with the year 1900, the manufacturing establishments in the Central and Western States increased two and one-half times as fast as those in New England. The West is filling up with capital, the artisans there are growing more skillful, and the distances from Boston to the main points of distribution are constantly increasing. Competition is becoming more and more severe, and the disadvantages I have referred to are coming to be felt more and more.

Geographically the relations of the port of Boston to the grain and trade centers in Canada are the reverse of those prevailing in the United States. Instead of being at the disadvantage of a longer haul, from 200 to 400 miles, we have an advantage equal to this distance over any port in Canada on the North Atlantic coast and of 40 miles over the port of New York.

The center of population, and likewise of manufactures, has moved 250 miles farther away from Boston since 1850, and the progress is still westward at the rate of about 5 miles per year. Owing to our fine harbor and excellent railroad facilities, we have thus far retained a fair share of the export trade of the western country, but this is now threatened by the development to tide water of the railroad systems in the South and West, over which shorter and cheaper routes to the sea for agricultural products are found than by way of Boston.

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The economic argument in favor of reciprocity is based upon a demand for cheaper food and other necessaries of life and the raw materials for our industries, especially coal and lumber.

* * * * * * *

Above all things, in this section of the country we need cheaper food. Massachusetts produces not more than 5 per cent of the agricultural products consumed here. To bring these products by rail from the far West entails too great cost. *We ought to have the surplus food of Canada untaxed for our tables.*

* * * * * * *

Will every farmer, for the sake of himself and his family and his industry and his country, read over and over again all these quotations, especially that last paragraph, so that he may get impressed on his mind and in his memory exactly what this movement for "reciprocity" means to the agricultural interests of the United States.

WHITNEY BEFORE THE LEGISLATURE.

And even before his Faneuil Hall speech Mr. Whitney had expressed similar views. For example, on April 4, 1904, at a hearing before the committee on Federal Relations of the Massachusetts legislature, Mr. Whitney and Mr. William Whitman had a "lively passage," as the newspaper account of the incident called it, over this general subject.

Mr. Whitman is a man who looks at this subject in a broad-gauged way. He is a manufacturer of woolens, but he does not ask for free wool. He stands for a consistent policy protecting farm and factory alike. His selfishness is for the nation, not for a section, nor for a line of business, nor for anything less than all the industries of all the sections. He takes the wise and patriotic view, which includes in its good will the entire nation. Mr. Whitman is far-seeing and sagacious enough to know that the square deal for all is the only policy that is likely to endure or deserves to endure. His courageous and manly argument against strong local prejudices places him among the really great men of this country.

On that occasion Mr. Whitney said, among other things:

Now, Mr. Chairman and gentlemen, I called attention last week to the small proportion of the population of the State of Massachusetts that are interested in its agricultural affairs, and to refresh the memory of the committee let me repeat the statistics. There are 1,208,000 persons engaged in the State at work for gain. Upon each of these 1,208,000 are dependent somewhat more than 2½ persons. Now, of these 1,208,000 only 66,000 are farmers or persons engaged in work upon the farms of the State. The other trades are as follows: Manufacturing and mechanical trades, 566,000; trade and transportation, 283,000; domestic and personal service, 231,000; professional service, 60,000. So that 95 per cent of the people of the State are not interested at all in the agricultural interests of the State, if I may put it in that way. *Meanwhile the food supply for ninety-five one-hundredths of the people of Massachusetts comes from outside the borders of the State.*

Now, gentlemen, I have called attention to the great importance it is for our working community to have *cheap food* supplied to it. I hold in my hand a bulletin from the Massachusetts census, prepared by the labor bureau of the Commonwealth of Massachusetts, and just issued for the month of March. It contains, on page 88, the cost of certain articles of food in Canada compared with their cost in Boston.

The first article mentioned is potatoes. They retail in Toronto for 12½ cents per peck; in Boston, 30; Fall River, 35; Haverhill, 30; New Bedford, 30; Salem, 32. Is not that an important question? Is not that the food of the common people, that they should be permitted to get free under these circumstances? Take butter. Fancy dairy butter in 1-pound prints cost 19 cents in Toronto; in Boston, 25 cents; in Fall River, 30; Haverhill, 30; Lynn, 30; New Bedford, 32; Salem 30.

But I need not read further. The rest is on the same line.

From the foregoing anyone can see the motives that animate Mr. Whitney and other men like him, and can see why they take interest in the "American Reciprocal Tariff League." They think that they can see in this "movement" advantage for Massachusetts manufacturers at the expense of the farmers of the Mississippi Valley. They forget that the good of all includes the good of each.

The "league" seems to be playing the different sections against each other. It has been sending out tens of thousands of circulars all through the farming sections of the West and the grazing sections, too, telling what it proposes to do to "open to the farmers wider markets for their products." The district which I have the honor to represent has been deluged with these circulars. It would be interesting to get some representative citizens from each of the sections together at the headquarters of the "league" and give its officers an opportunity to tell just how it proposes to give Mr. Whitney and his friends "cheaper food products" and at the same time "open to the farmer new markets, and thus secure to him better prices for the products of the farm." It would be interesting to know how the "league" is going to help the farmer by reducing the duties on his products in order that manufacturers may get "concessions" on their goods in other countries.

WHAT THE "RECIPROCAL LEAGUE" WAS FORMED TO DO.

From the expressions thus far quoted from leading members of this "Reciprocal League," it will readily be seen that the motives of these men are wholly selfish and sectional. Not one of the utterances is national in its view or patriotic in its purpose. With almost brutal frankness they admit that their object is to trade off other American interests to promote their own.

But the real promoters of this "league" have objects and purposes even more dangerous to American interests. Their object is to undermine all American industries for the benefit of foreign industries. And they simply use these selfish and short-sighted Americans that I have quoted, and others like them that I shall refer to later, to serve their purposes.

This "league" really had its birth in the American offices of the foreign steamship companies and the American agencies of foreign manufacturers. These are backed by such organizations as the Merchants' Association of New York. Most of these men are themselves foreigners who live in the United States simply as a matter of "business." All of them are interested in having the American people import goods and export raw material rather than make their own goods and consume their own raw material. They are interested in promoting foreign commerce rather than domestic trade. They know that the protective tariff builds up American industries, and therefore it is their pet aversion. They have little faith in a direct attack on the protective system, such as they made fourteen years ago under Cleveland, so they are now trying this flank movement.

One of the real promoters of this "league" is that enterprising and capable gentleman, Mr. Gustav H. Schwab, who lives in New York. Mr. Schwab is faithful to his employers and is exceptionally intelligent and industrious in advancing their interests. He is the American representative of the great North German Lloyd Steamship Company. You will find his name on the letter head of the "league" as a member of its national committee.

Among his associates on that committee are the following: W. A. Harris, now Democratic candidate for governor of Kansas; W. C. Maybury, of Michigan, Democrat, formerly Congressman; H. A. Jastro, Democratic "boss" of California; A. B. Farquhar, "free trader" and one of the Democratic leaders of Pennsylvania; Robert Ramsay, Maryland; E. T. George, Louisiana, and Marion Sansom, Texas—all "free traders" and Democratic leaders of their respective States; Henry M. Whitney, late Democratic candidate for lieutenant-governor of Massachusetts, whom I have quoted; Eugene N. Foss, "Republican" by profession, whom I have also quoted. And I must not forget W. E. Skinner, of Chicago, who is secretary of the Chicago Stockyards Association and one of the leading Democrats of Illinois. These, with a few others, constitute the "active members" of the national committee of this "league." What do Republicans think of the "line up?" Pretty good material for Mr. Schwab to use in helping his foreign employers, isn't it?

There are one or two "mugwumps" on the committee, and two or three really good Republicans. The representative from Minnesota, John Miller, is a Republican. He is in the grain-elevator business in Duluth. He was attracted to the "league," I understand, by the promise that it held out of getting the duty removed from Canadian wheat. Each of the other Republicans on the national committee of the "league" got into the "movement," I am told, much as did Mr. Miller, each hoping to get, through "reciprocity," advantage to his particular line of business. Some of them produce agricultural machinery and others raise stock on the ranges. But I understand that, practically without exception (barring Mr. Foss), the Republicans have discovered the kind of company that they got into in this "movement," and have practically abandoned it. If this be true, it is greatly to their credit, for the movement is wholly un-American and unpatriotic. And it is doomed to dismal failure. "The best friend of truth is time," as my good mother often used to say, and time is likewise the worst foe of wrong and error.

This "league" was formed by its real promoters to destroy the American protective tariff system by flank attack. It was easy to get leading Democrats into the scheme. The problem was to get Republicans into it. They were beguiled by the name "reciprocal." Some, like Mr. Foss, got into the movement for the reasons that appear in his own statements of his objects and purposes.

RECIPROCITY IN COMPETING ARTICLES.

Right here it may not be amiss to say a few words about reciprocity. The Republican party has always been in favor of reciprocity that is "consistent with the principles of protection."

In his fourth annual message, in 1884, President Arthur proposed—

A series of reciprocal treaties with the countries of America which shall foster between us and them an unhampered movement of trade. The conditions of these treaties should be the free admission of *such merchandise as this country does not produce* in return for the admission free or under a favored scheme of duties of our own products.

To admit free of duty goods the like of which we can not produce is entirely "consistent with the principles of protection," and therefore the reciprocity of Arthur is in exact harmony with that of Roosevelt.

But so-called "reciprocity" in competing articles is a delusion and a snare. It necessarily and unavoidably means one of two things—either that we hand the other country a gold brick or that we abandon protection. The former would not be right and the latter would not be wise. So we are unequivocally against it on both grounds.

Let us examine the matter and the truth will appear. Suppose that on a certain article protection requires a duty of 30 cents a pound. Suppose that in the Dingley law the rate is 40 cents a pound. This is the very condition that some advocates of "reciprocity" have in mind.

Now, suppose that we say to France, for example, "We will make a reduction of 20 per cent of our present duty on that article in return for a 'concession' that is satisfactory to this country." France at first blush naturally thinks that we have made quite a fine proposition. But on second thought her Government discovers that 20 per cent of 40 cents is 8 cents, which being subtracted from the 40 cents, leaves the duty 32 cents, or *2 cents above minimum protection.* The French, on discovering this, will naturally and properly feel resentful, and they could not be blamed if they thought we had attempted to hand them a gold brick.

Suppose we offer a reduction of 30 per cent of existing duties. That would leave only 28 cents of duty, or *2 cents below protection.* Under such an arrangement we would have abandoned protection.

If we give a reduction of 25 per cent of existing duties, we still have our minimum duty of 30 cents, which is still protective, and the French would have bought a gold brick.

Briefly, we can not both have protection and not have it. We can preserve protection or we can trade it off, but we can not do both. If we keep adequate protection, the foreigner who would be "reciprocating" with us would be deceived. That would not be good morals in man or in nation. If we trade off protection, we have betrayed our own people. Reciprocity in competing products, then, implies either deceiving the foreigner or betraying our own people. Neither of these things will any good American want done. So we stand unequivocally against "reciprocity" in competing products, because it is inherently wrong, morally and economically.

THE RECIPROCITY OF BLAINE AND M'KINLEY.

I believe in the reciprocity that Blaine preached and McKinley practiced. What was that? Let us see.

When Benjamin Harrison became President in 1889, he choose as his Secretary of State that great son of Maine, James G. Blaine. Blaine was a statesman. The fundamental difference between a statesman and a mere politician, Mr. Chairman, is that a statesman is far-sighted while a politician is near-sighted. A statesman comprehends in his thoughts the entire world. With keen vision he scans the years that have been and observes with intelligent eye the conditions that are. And from this mount of knowledge, with patriotic foresight he wisely plans for his country's good through the years that are to be. The politician sees no farther than the end of his nose. The immediate in time and space is all that he comprehends. How to win the next election, without being hindered by too much refinement as to methods, marks the zenith of his aims and powers.

Blaine was a statesman. Looking over the world he concluded that our relations with the other countries of this hemisphere—especially those to the south of us—should be made closer, both for their sakes and for ours. We were carrying the burden and responsibility of the Monroe doctrine, and he felt that we could and should get corresponding benefit from our position. So he arranged for a "Pan-American Congress," composed of delegates from all the Central and South American countries, to meet in Washington and devise plans for mutual advantage.

He understood, as I indicated earlier in these remarks, that trade is naturally between countries producing unlike things, and that it is to their mutual advantage to have such exchanges as little hampered as possible. It is for this reason that we Republicans hold ourselves ready to give free access to our markets to goods the like of which our people can not produce. We are under no obligation to any foreign country to do this, but we deem it wise to do it as a general policy.

How did Blaine deal with the situation? Let us imagine him talking, say, to the delegation from Brazil. He said something like this: "Your chief product is coffee. This country furnishes you a market for two-thirds of all you produce. That is, this country is worth to you as a market twice as much as all the rest of the world put together. For many years, too, we have been admitting your coffee to our market absolutely free of duty. This is a thing of very great value to you, Brazil. We expect you to show us that you appreciate what we have been doing for you, and hold ourselves ready to continue doing, by granting free access to your market for such of our products as you can not produce."

We can imagine the Brazilian delegation "winking the other eye" and saying to each other, "Why, it is part of the Republican policy to admit noncompeting goods, like coffee, free of duty. It will do that anyway. Why should we make any concession to get that when we'll have it anyway?"

Like every other statesman, Blaine was a mind reader. He understood what was being discussed among the Brazilians. In calm tones but with quiet emphasis he said, "Brazil, we desire to trade with you. You produce many things that we need but can not produce. We produce many things that you need but can not produce. We ought to exchange these things with the least possible hindrance. That will be to our mutual advantage. We place no duties on your products that are unlike ours. We have a right to expect you to reciprocate by admitting free of duty such of our products as are unlike yours. If you do not show your desire to do so, we will authorize our President to place on your coffee, for instance, a duty of 3 cents a pound. And remember, Brazil, we can get coffee from other countries. If we continue to let in their coffee free of duty, they will soon have our market, driving you out. Do you see the point?"

Brazil "saw the point" and entered into a "reciprocity" treaty with us under which she continued to get free admission for her coffee, her rubber, and such things, and by way of "reciprocity" granted to us free admission to her markets for wheat and wheat flour, corn and corn meal, and a number of our other "noncompeting" products.

Blaine's proposition was embodied in the McKinley tariff act. And thus you see the nature and purpose of the "reciprocity" advocated by Blaine and practiced by McKinley. That is Republican reciprocity.

That was Republican reciprocity sixteen years ago. It is Republican reciprocity now. That is the reciprocity described in our last national platform as "consistent with the principles of protection," and which can be entered into "without injury to American agriculture, American labor, or any American industry. [Applause.]

DUAL TARIFF SYSTEMS.

In his last annual message to Congress President Roosevelt suggested that it might be well for Congress to look into the matter of "dual tariff" systems. Following that suggestion, I took up, in line with my duty as a member of the Committee on Ways and Means, a study of all the tariff systems of the world. And for the Review of Reviews for April, 1906, I prepared a brief article giving my conclusions. The article is entitled, "Single Tariff or Dual Tariff—Which?" This article I shall append to these remarks. I may be pardoned if I invite attention now to the following paragraphs, with which the article closes:

CHARACTERISTICS OF EACH SYSTEM.

The single-tariff system is built on the principle of "equal opportunity for all, special privileges to none." Under this system the goods of the smallest country are admitted on exactly the same terms as the goods of the largest country. All countries are treated alike. There is no country so weak that it need fear being discriminated against; there is no country so powerful that it can compel discrimination in its favor. Under the single-tariff system every country gets "a square deal."

A country having the single-tariff system gives freely and voluntarily to every country the "best terms" that it gives to any country, and it has a right to demand in return from every country the best terms that are given to any country. And in support of that reasonable demand for the impartial treatment which it freely gives it may consistently and properly enact and hold in reserve a set of higher duties, as does Norway, to apply to the goods of any country which discriminates against its goods.

Both types of dual tariff are built on the principle of "giving to him that hath and taking from him that hath not." Under the dual tariff system the powerful are given what they want, while the weak must be satisfied with what they can get. The dual tariff is based on power, not on justice; on favor, not on equity. It is the very opposite of "the square deal." It is but the application among nations of the very principle that the people of the United States are fighting in the form of dual railway rates and the discriminations shown therein.

DUAL TARIFF SYSTEMS PROVOKE WAR.

In a public address at Pittsburg recently a distinguished gentleman from Boston advocated what he chose to call "reciprocity." In neither

form nor spirit was it the reciprocity advocated by Blaine and practiced by McKinley. What he advocated as "reciprocity" was simply and only the German type of dual tariff. He urged his views on the ground that the policy advocated would cultivate international peace and good will, something that everybody desires.

The plea is not a new one. It is probably the most seductive argument in favor of so-called "reciprocity." The very word "reciprocity" has an attractive and persuasive sound. It suggests friendliness, mutual consideration, neighborly kindness. Even the dual tariff, if advocated as "reciprocity," may be made to seem attractive. But it is well to remember in this connection that the only real tariff wars that have ever taken place have been between countries having dual tariffs. Among recent examples may be cited the tariff wars between Germany and Russia, 1893–94; between France and Switzerland, 1892–1895, and the eleven-year conflict between France and Italy from 1888 till 1899.

The reason for such wars is not hard to find. A nation having the dual tariff system stands before other nations with a whip in one hand, as it were, and a wisp of hay in the other. The country of the dual tariff virtually says to other countries: "Give me what I want and I'll give you something good—that I don't want. Deny me what I want and I'll strike you." The country of the dual tariff neither needs nor desires its higher rates of duty; they are enacted simply as a club to be held over the heads of other countries. The very attitude of such a country is a challenge to conflict. No wonder that every real tariff war in history has been between countries having dual tariffs.

Conversely, there has never been a tariff war between two countries having the single tariff system. Under that system there is neither necessity nor opportunity for such a war.

Whether among persons or among nations there is nothing so provocative of anger and resentment as "showing favors" to some that are not accorded to others. On the other hand, there is nothing so promotive of peace and good will as evenhanded justice to all.

THE NORWEGIAN TARIFF IDEA.

As I pointed out in the article from which I have quoted, Norway has a unique idea about the tariff. In form Norway has a dual tariff, but in fact she has a single tariff. That is, Norway's tariff law carries two rates of duty on each article, but the lower rate is conceded to every country that does not discriminate against goods from Norway. If any country fails to give Norway as favorable tariff treatment as is given to any other country, or in any way discriminates against goods from Norway, the law authorizes the King to impose on the goods of such country the higher rates of duty. Norway desires industrial peace with every country. She voluntarily extends to every country the best rates that she regards as consistent with the well-being of Norway. She naturally and properly expects that every other country will "reciprocate" by giving their "best rates" to Norway. But, like a self-respecting country, she holds herself ready to resent discrimination against her.

This, in my judgment, is the wisest of all the "dual" tariff plans. It is, in essence, in entire harmony with the Republican idea of "reciprocity." Indeed, it is substantially another form of it. In my judgment, if the United States will adopt the Norwegian idea, there is no nation in the world that will ever even threaten to discriminate against us.

That was, in part, my thought in introducing last December the bill which provided that if any country should discriminate against American goods or fail in any way to grant to American goods access to her markets on terms as favorable as those granted to any other country, then on the goods coming from such country so discriminating against us the rate of duty should be 25 per cent higher than that provided in the law.

This is an addition to our law that is absolutely nonpartisan. It can be supported consistently by both Democrats and Republicans. No American, whatever his party, wants American goods discriminated against. No American, whatever his party, proposes to allow other countries to have any hand whatever in enacting our laws. No party when in power ever has allowed such a thing. We settled that matter over a hundred years ago, and we celebrate every Fourth of July in honor of the event. No American, whatever his party, disbelieves in "the square deal" among nations as among men. No American, whatever his party, wants the United States to be the aggressor against any nation however weak. And no American, whatever his party, wants his country to endure discrimination against her from any country however powerful. With the adoption of the Norwegian idea, we would never even be threatened with discrimination, let alone suffer from it, as we are actually doing at this very moment from several countries. It seems to me that in the near future self-respect as well as self-interest will move us to adopt the Norwegian idea.

THAT GERMAN THREAT.

This brings to mind that last year a hysterical condition of the public mind was industriously worked up by the same people who are behind the so-called "American Reciprocal Tariff League" that I discussed earlier in these remarks. We were threatened with all sorts of dreadful things if we did not "negotiate" with Germany as to tariff rates. The outcome showed that there was no ground for the hysterics.

Let us look at the situation, which everyone can do now calmly, I think. The great German Empire, created by the genius of Bismarck and the old Emperor, whom many of us can remember, consists of a union of self-governing parts—five kingdoms and a number of principalities, grand duchies, and so on. It is a federal monarchy, as our country is a federal republic. As in this country, the constituent parts protect life and property and have therefore the right of direct taxation of persons and property as our States have; while the Empire attends to international relations and, like our National Government, the Empire derives its income chiefly from duties on imports.

The Empire came into being in 1871, as one result of the Franco-Prussian war. For several years the Empire followed along a tariff policy much like that of Great Britain. But in 1879, under the leadership of Bismarck, Germany adopted the protective-tariff system. The tariff law of 1879 remained the law of the Empire for more than a quarter of a century, modified, however, several times by treaty.

In 1903, knowing that several of her tariff treaties would soon expire, Germany, after characteristically patient and intelligent investigation, rewrote her tariff law, revising all the duties "upward," some of them very considerably, placing many of them, in fact, far higher than she really wanted them, with the view of reducing them through "negotiations" with other countries. Having finished her "revision upward," she invited other countries to "negotiate" with her for "concessions." After negotiating for about two years, Germany effected tariff arrangements with seven of her immediate neighbors—Russia, Austria-Hungary, Italy, Belgium, Switzerland, Roumania, and Servia.

WHAT GERMANY WANTED AND HOW SHE CAME OUT.

Germany has an exceptionally intelligent and thrifty population. Her technical and trade schools are probably the best in the world. With such high skill and industry and such modesty and thrift, Germany can produce far beyond her consumption. So her chief need industrially is a market for her enormous surplus. Her tariff system is devised largely with the idea of compelling or coaxing her way into other markets with her manufactures. It is important that this be remembered.

When Germany offered to "negotiate" with the countries named above, they all expressed themselves willing. But *before* entering into the negotiations, each of them followed Germany's example and *revised their tariffs upward.* What was the net result of the movement to Germany?

According to Soetbeer, the greatest of all German statisticians, Germany is better off than before as to 7 per cent of her exports, worse off as to 41 per cent, and just as she was as to 52 per cent. Now, let us remember what countries Germany made these arrangements with—Russia, hardly able to stand up; Austria-Hungary, held together by the life of one frail old man; Italy, just beginning to get on her feet; little Switzerland and little Belgium, and very little Roumania and Servia—and yet in dealing with such countries the result is given by the most eminent German statistician as I have quoted. In view of this, is there anyone who thinks that this great country, far stronger commercially than all the countries combined that Germany has entered into treaty with—does anyone think that this country has anything to fear in any sort of a conflict with Germany? And is there anyone who does not credit the great, intelligent German Empire with knowing that in any such conflict with us she would be foredoomed to disastrous defeat?

"GETTING CONCESSIONS FOR NOTHING."

A professor in Harvard has gone out of his way to ask whether we can expect to "get from Germany for nothing concessions that other countries have paid for by making concessions to Germany." I am at a loss to know whether this Harvard professor is actually ignorant of the facts or whether he is a mere sycophant who hopes by thus toadying to be able to attract attention and honors from the German Government.

I have told you how the countries that have entered into treaty with Germany dealt with her. Each of them, seeing that she had raised her duties, *proceeded to raise theirs* before entering into new arrangements with Germany. And I have given you the highest German authority for the statement that in the negotiations with even those countries Germany got the worst of it.

After a careful investigation of our trade relations, I made up my mind that if Germany should be foolish enough to get into a trade war with us, disastrous defeat and loss would be her

portion. We have many reasons as a nation for feeling kindly toward Germany. So I looked around to discover a way, not inconsistent with our national policy and principles, in which Germany could get out of the scrape without loss of prestige—a way in which she could have "peace with honor."

I knew that, as I have already stated, each of the countries with which she had come to an understanding had first raised their duties and then made concessions on the new rates. Germany regarded this as all right. What easier, then, than for us to raise our rates and then negotiate with Germany?

But not being in favor of tariff revision, either upward or downward, at this time, I introduced the bill that provided that as to any country discriminating against our goods the duties should be 25 per cent higher than those provided in the Dingley law. If Germany began a "tariff war" with us by imposing on American goods her higher rate of duty, the 25 per cent increase of duty would go into effect against German goods. Then by "negotiation" she could give us her lowest rates of duty in exchange for the removal of our 25 per cent increase. I credited Germany with sense enough to see that if each made this "concession" in advance—if she gave us her lowest rates and we refrained from imposing the 25 per cent additional rate—there need be no "war." In other words, my proposition included precisely the same kind of "concession" in fact as Germany got from the other countries, which first raised their duties greatly and then conceded a little to Germany. And the outcome justified my reasoning.

THE ATTITUDE OF "GERMAN-AMERICANS."

Those who were trying to get the better of the United States in this matter—German industrial interests and allies of theirs in America—felt that they could scare American Congressmen by the threat of what the "German-American" voters would do if we did not concede anything and everything in the case. In my own district there are thousands of voters of German blood, and it was plainly intimated to me—by word of mouth, by letter, and through newspapers—that I would suffer for having got in the way of the plans of these anti-American conspirators. Even if that had been sure to follow, my duty would have been perfectly plain, and I would have pursued it just as I did.

Having been born under a foreign flag myself, I can understand as no native-born American can possibly understand how perfectly natural it is for every man to want peace and good will to prevail between the land of his birth and the land of his adoption. But if trouble had to come, or if a conflict of interest should arise between the two countries, it would not take me a second to range myself on the side of the United States.

And so I believe it to be with our citizens of German ancestry. They would do everything honorable to preserve peace between the fatherland and this country, but in any contest between the two countries involving either the dignity of our Government or the interests of the American people they would unhesitating fall in under the starry banner. The anti-American conspirators underestimated the patriotism of our citizens of German birth or ancestry, making the mistake of judging it by their own.

All through our national history the men of German ancestry have proved their loyalty to the flag. It was a German, Steuben, who was the drillmaster of the American Revolution, and who made for Washington an army out of a mob. And as a token of her appreciation of his services, our country, through Congress, has appropriated $50,000 to erect here in our capital city a monument to his memory. And I am proud to be a member of the commission having in charge the erection of that memorial.

And all the way down through our history our citizens of German blood have shown their love for their adopted country. In the civil war the men who "fought mit Sigel" did their full share for the preservation of the Union. No truer or more loyal Americans live beneath the flag than those of Teutonic blood. And those who think otherwise will find themselves mistaken.

GERMANY DOES NOT WANT OUR FARM PRODUCTS.

The fact is that Germany does not want our farm products. She takes, free of duty, our cotton and other "raw material" of industry. But this is simply because she can not get them elsewhere. The reason for her policy can be readily understood by investigation into Germany's situation and circumstances. We need to know about Germany a number of things, the most important being the following:

First. The German Empire, like the United States, is a federal government—that is, a government made up of self-governing units. Just as this is composed of 45 self-governing parts called "States," so the German Empire is composed of 25 self-governing parts—4 kingdoms, 6 grand duchies, 5 duchies, 7 principalities, and 3 "free cities." Like our Congress, the German Imperial Parliament consists of two Houses, one, the Bundesrath, representing the self-governing units as our Senate represents the States, and the other, the Reichstag, representing the people, as this House represents the people of the United States.

Second. But the membership in the Reichstag is not "reapportioned" among the component parts of the Empire at stated periods. In this country we take a "census" of the people every ten years, and reapportion membership in this House among the several States in proportion to population. That is not done in Germany. When the Empire was established, in 1871, the members of the Reichstag were apportioned among the component "States" of the Empire, and from that day to this there has been no reapportionment.

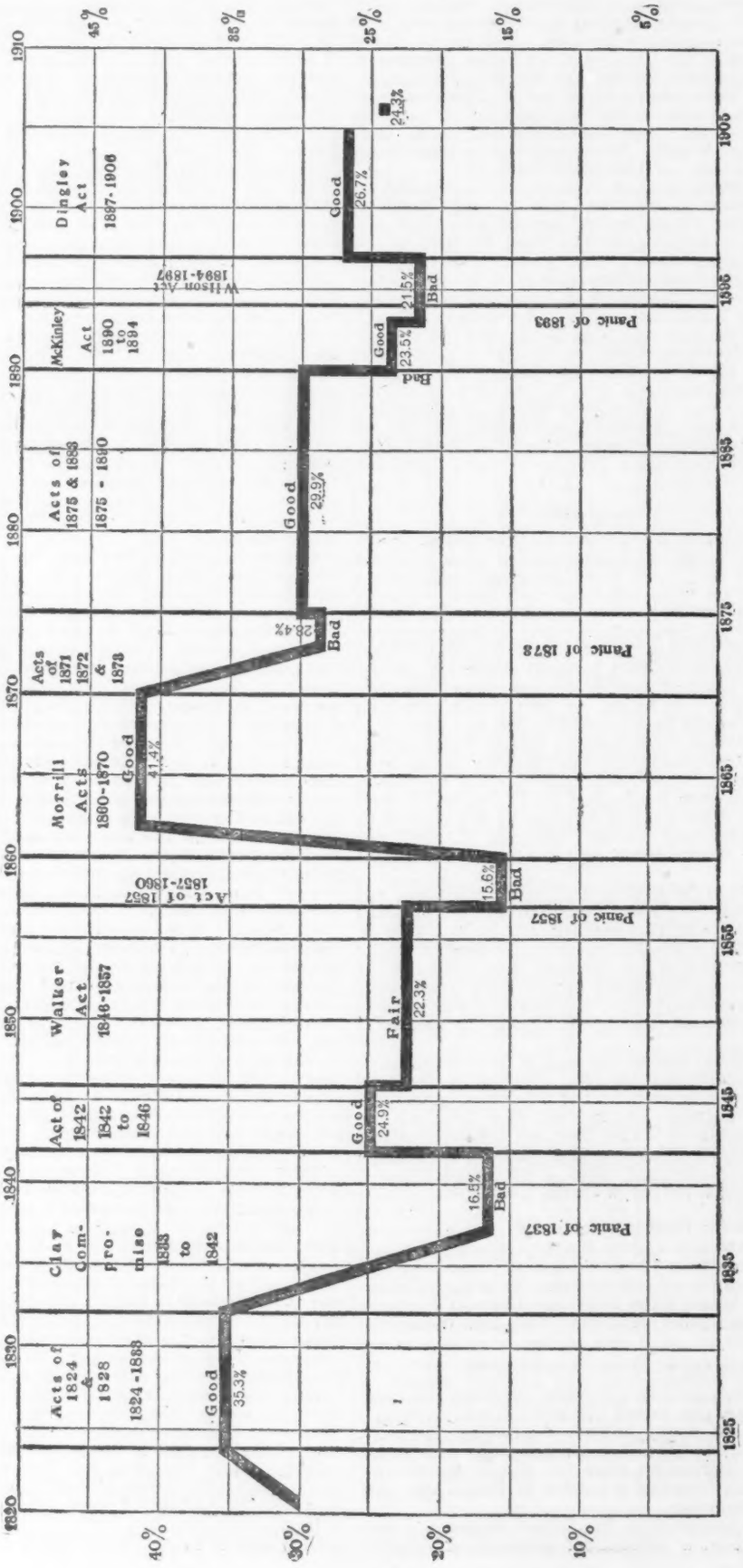
Third. When the German Empire was formed, it was largely an agricultural country. As I showed earlier in these remarks, in my view of the world during the last ninety years, Germany was at that time willing to get her manufactured goods largely from England, and so had a tariff "for revenue only." But in 1879 Germany returned to the protective tariff system, and in spite of many handicaps she has become a great manufacturing country. The population of the cities has grown enormously. Under the original apportionment the rural districts got a big majority in the Reichstag. This they still retain, although not now entitled to it according to a fair apportionment of members in the Reichstag.

Fourth. The soil of Germany, speaking generally, is not fertile and, even with German skill, it can not be made to produce enough food for the German people. A large part of the food of the people must be imported. So the tariff on food products is largely "added to the price." Within Germany there is a tariff contest now on between the producers of food and the consumers of food as to the amount of duty that should be levied on food products. The consumers of food, the working people of the towns and cities, would naturally like to have those duties as low as possible, and they far outnumber the producers of food. But, for the reasons given a moment ago, they have not power in the Reichstag in proportion to their numbers. The membership of the Reichstag having been apportioned under the old agricultural conditions, the Reichstag is controlled by the producers of food. These are largely the landed nobility. And in the new German tariff law the lowest rates on food products are higher, in most cases, than the highest rates under the old law, and as to the principal food products the law fixes a minimum below which the rates can not be reduced even by treaty.

Fifth. Such food products as Germany has to import she naturally prefers for many reasons to get from her immediate neighbors. So she took pains to arrange treaties with Roumania and Servia and with Russia and Austria-Hungary, from whom she can get her food supply. There is a special reason why Germany does not want to depend on the United States or any other American country for her food supply. Germany is strong as a military power but not strong as a naval power. She is powerful on land but not on sea. She can dominate the countries that she can reach by land, but she can not dominate on the sea. If her food supply came from America, Great Britain could intercept it in case of war, and Germany's position is such that she must always be prepared for war.

With these thoughts before us we can readily see why Germany prefers to depend for food on her neighbors to the south and east of her, all reachable by land and all inferior to her in military strength. Therefore German statesmanship looks in that direction and not in this for the food that must be imported.

Germany's talk about making a "reciprocity" treaty with us under which we would have better access to her markets for our food products is largely old-fashioned "diplomacy." What she wants is access to our market for her manufactured products. Through the instrumentality that was got up by her representatives in this country, the so-called "American Reciprocal Tariff League," she hopes to beguile our farmers by promising them cheaper manufactured goods and better prices for farm products. But our farmers were not born yesterday. With even this brief outline of the situation before them they can readily see that it would be folly to break down our own industries and thus lose the best market in the world, the market furnished by the well-paid and well-fed workmen in our own land, in the hope of working up across the sea a market in a land whose situation makes it impossible for her to permit herself ever to become for us much of a market.



EXPERIENCE DEMONSTRATES THE WISDOM OF PERMANENCY OF PROTECTIVE POLICY, ADEQUACY OF TARIFF RATES, AND STABILITY OF TARIFF LAW.

DON'T BE LIKE FREDDIE.

The following news item recently appeared in a Minnesota paper:

PAYS $23 FOR CANDY.

Three-year-old Freddie Arnold, of Minneapolis, was the unwitting means last night of his mother losing her pocketbook containing $23 in silver and bills. Little Freddie, with the pocketbook in his hand, was sitting on the front steps of the house on Eighth street south near Nicolet avenue, where the Arnolds live. He was holding his mother's pocketbook while she was getting ready to go down town with Freddie. While she was busy inside the house a man came along, and seeing the pocketbook in Freddie's hand, he produced a couple of pieces of candy and told the boy he could have it if he would give up the pocketbook. The child instantly agreed, and a few minutes later when Freddie's mother appeared he was busy munching the candy, and the "nice man," as the boy called him, was nowhere in sight. Neither was the pocketbook.

Foolish Freddie! He paid too much for his candy. Don't be like Freddie. When the "nice" politician man comes along and offers you the equivalent of two sticks of candy in exchange for the family pocketbook, containing our great national prosperity, don't be like Freddie.

The "nice" tariff revision politician wants the farmer to give up his protection on his eggs and butter and cheese, on his wheat and oats and barley, on his beef and pork, on his hides and wool, in exchange for "free" lumber and steel. He wants the laboring man to give up protection to American labor in exchange for "free" food products and "free" wool. But these people are not like Freddie—they are old enough to understand that they would be paying too much for their candy.

TARIFF REDUCTION BRINGS HARD TIMES.

And now, Mr. Chairman, having candidly examined every ground upon which tariff revision is being demanded at this time and having demonstrated that not one of those grounds is valid, I propose to take a step further and show affirmatively that tariff revision, either upward or downward, should not be undertaken at this time or in the near future.

Of course nothing that could possibly be said could influence the avowed opinion of certain classes of people. Democratic leaders feel that they must continue to talk consistently with their past, even though in their hearts they know that they are wrong. And persons who are the natural allies of those leaders, such as the American agents of the great foreign shipping companies and the representatives in this country of the great foreign exporting industries, whose interest it is to have us import things rather than make them—all these men, and others among us, who, for their own selfish ends, are at the bottom of this tariff-revision agitation, will, of course, refuse to be convinced. But, sir, the great mass of our citizens of all parties sincerely desire the good of the American people. To the great body of intelligent and patriotic American citizens represented in this House I now extend an invitation to review briefly our experience as a nation with tariff revision. Experience is the lamp by which wise men guide their footsteps. Here on this chart by the Speaker's desk I have shown to the eye the courses and results of our experiments with tariff revision.

THE BASIS OF THE CHART.

The idea of making this chart I got from a very interesting and instructive pamphlet on the tariff, written some years ago by Mr. Thomas B. Walker, of Minneapolis, one of the leading business men of the Northwest.

The figures for this chart are those of the table on page 51 of the latest United States Report on Commerce and Navigation, which table I shall append to my remarks. The chart shows the average ad valorem rates of duty collected on imports under each tariff law since 1821. No accurate figures for the years before 1821 can be had.

The average rate of duty is found by taking the total value of the imports, both "free" and "dutiable," during each period and the total amount of duties collected during that period and finding the percentage that the duties collected were of the value of the imports. This seems, on the whole, the fairest way of comparing the several tariff laws as to actual rates of duty.

THE TARIFF UNDER THE ARTICLES OF CONFEDERATION.

From 1776 to 1789 we lived under a form of union known as "the Articles of Confederation." Under this form of government the United States had no way of raising revenue except to ask for contributions from the several States. Moreover, each State regulated its own commerce with other States and countries. The several States levied duties against each other, often more rigorously than against foreign countries. Indeed, with foreign countries many of the States had actual free trade. The outcome of it all was national and State bankruptcy, the extent of which has been immortalized in the expression "not worth a continental."

THE TARIFF IN THE CONSTITUTION.

In fact, Mr. Chairman, these financial difficulties were among the most important of the reasons for changing our national form of government to that of our present Constitution. It will be noted in this connection that the very first power granted to Congress in the Constitution is the power to "lay *and collect* taxes, duties, imposts, and excises." Government that had to plead for existence had been tried and found wanting. In 1789 "the people of the United States," as the result of bitter experience with a weak government, did "ordain and establish" a government that could govern, and gave it independent sources of revenue for its support.

OUR FIRST TARIFF LAW.

Our Government under the Constitution began in 1789, with George Washington as our first President. The very first general law enacted by the first Congress under the Constitution was a tariff act, and it provided both revenue and protection. In other words, it was a protective tariff law, purposely so made by "the fathers of the Republic." The act was signed by Washington on July 4, 1789, and was called "our second declaration of independence." It promptly restored our national credit and filled our National Treasury. From time to time during the next twenty-three years, under Washington, Adams, Jefferson, and Madison, the tariff was slightly revised, always "upward" and always with good results.

OUR FIRST "WAR TARIFF"—PROSPERITY.

When the war of 1812 broke out Congress passed a law increasing the existing tariff duties 100 per cent, doubling the rates that had prevailed before the war. In the act making this great "revision upward" it was provided that the rates prescribed should continue until one year after the close of the war "and no longer." Under this law the prosperity of the country was the greatest ever known up to that time. It was so great that on February 20, 1815, President Madison sent a special message to Congress urging it to adopt means "to preserve and promote the manufactures which have sprung into existence throughout the United States."

OUR FIRST "REVISION DOWNWARD"—HARD TIMES.

The war ended in 1815, so the "war tariff" would have expired by its own terms in 1816. But it was felt that the recommendation of President Madison was wise; and, while "revising downward," it was really the intention of Congress in the act of 1816 to enact a thoroughly protective tariff law. But, being without an extended national experience to judge by, Congress made a mistake that at that time was very pardonable. It fixed the rates too low, and the country then learned by bitter experience that "moderate protection is no protection." In 1816 came a severe panic, and hard times continued for seven years. By that time, after much sorrow and suffering, the people had learned a lesson. But even with the object lesson before them, it took Henry Clay and other leaders of thought more than five years to get the nation educated to the point where the people understood that a protective tariff that does not protect is a delusion and a snare. The matter had to be debated through two Congresses before this came to be thoroughly understood. Then it was determined to "revise upward" again.

"REVISION UPWARD" IN 1824 AND 1828—PROSPERITY.

Here we begin to follow the chart. The heavy line showing the average rate of duty moves upward from 1821 to 1824. It then moves horizontally to the right, showing the average rate of duty under the acts of 1824 and 1828 as having been somewhat over 35 per cent. With the exception of the rate during the war of 1812 and the civil war, this is the highest in our history.

Speaking in 1831, Henry Clay said:

If one desires to find the seven years of greatest adversity in this country since the adoption of our Constitution, let him examine the seven years before 1824. If one seeks the years of our greatest prosperity, they are the seven years following the passage of the act of 1824.

The benefits of the protective tariff were, of course, greatest in the free States of the North. There factories sprang up, and high-class immigration flowed in. The North was rapidly outstripping the South in wealth and population, and this threatened to take from the South political supremacy. Owing to slavery, the South could not benefit so greatly. Opposition to the protective tariff began to develop in the South. And, as was the case half a century later, the "surplus" revenues then being produced afforded a basis for a demand for "tariff revision downward."

"REVISION DOWNWARD" IN 1832 AND 1833—HARD TIMES.

As I said early in these remarks, England in 1832 removed her import duty on raw cotton. No longer then did the South feel the need of New England cotton mills as a market, and over the South like a cyclone swept the demand for a tariff "for revenue only." South Carolina even threatened to secede if the existing tariff were enforced. To his everlasting credit be it said, President Andrew Jackson notified her that "the Union

must and shall be preserved." There being "surplus revenue," in 1832 the tariff was revised downward by removing duties on noncompeting articles, thus leaving it still a protective tariff. This did not satisfy the South, and in 1833, "to preserve the Union," an act was passed providing for gradual reduction of all duties at the rate of 10 per cent every alternate year until the general rate of duty should be only 20 per cent ad valorem. The reduction being gradual, as indicated by the slanting line on the chart, the evil effects were not felt immediately. The first reduction took effect January 1, 1834. The second reduction took effect January 1, 1836. Before the third reduction of the series had been made, the always-to-be-expected blow fell, and we had the panic of 1837. The hard times continued until the next "revision upward," the actual average rate of duty during those hard times being, as the chart shows, about 16½ per cent.

"REVISION UPWARD" IN 1842—PROSPERITY.

In the election of 1840 the people showed their determination to return to the protective-tariff system by electing as President William Henry Harrison, a pronounced protectionist, and a Congress of the same mind. Harrison died shortly after his inauguration. But Congress, which met in December, 1841, immediately took up the question, and in 1842 again revised the tariff upward, the average rate of duty under the act of 1842, as shown by the chart, being about 25 per cent. The result, as usual, was a restoration of prosperity. In fact the result was so satisfactory that in 1844 the Democrats themselves took as their campaign cry in the Northern States, "Polk and Dallas and the tariff of forty-two." But in the South the Democratic slogan was, "Polk and Dallas and free trade." This was their first "two-faced" campaign.

"REVISION DOWNWARD" IN 1846—MIXED RESULT.

As I stated earlier in these remarks, England in 1846 removed her import duties on food products. This gave the farmers of the North access to the British market free of duty for their surplus products. And naturally but unwisely they very largely joined the southern planters in demanding a tariff "for revenue only." The Walker tariff of 1846, somewhat along that line, was enacted. As is shown by the chart, the Walker tariff law lowered the average rate of duty about 2½ per cent. The reduction was not great, the average rate of duty collected under the Walker law being only slightly less than the average under the Dingley law last year. The Walker law, however, had almost no "free" list, and the law was intentionally not adequately protective. It followed neither the British nor the American principle.

That the usual result of tariff reduction did not immediately follow was due to a peculiar train of circumstances. Almost at the same time that the Walker law was enacted the Mexican war broke out. This was followed by the famine in Ireland, in 1847–48, and by insurrections and revolutions in Europe that greatly interfered with production there and caused an abnormal demand for our products. Then came the discovery of gold in California, followed by the discovery of gold in Australia. Then came the Crimean war of 1854–1856. All these things tended to encourage production and prosperity in the United States. And although during portions of the Walker tariff period times were very hard in the United States, as I could easily prove if time permitted, the results were mixed, and as a whole the times may be said to have been fairly prosperous.

"REVISION DOWNWARD" IN 1857—HARD TIMES.

By 1857 the Crimean war was over, and thus passed the last of the peculiar circumstances that obscured the rule that "revision downward brings hard times." So much attention was then being given to the questions of slavery and secession that the people did not give much attention to the philosophy of the tariff. And in 1857 came another "revision downward," the average rate of duty being reduced, as shown by the chart, to about 15½ per cent. This time there were no outside conditions to conceal the legitimate effect of tariff reduction, and the panic of 1857 followed. The hard times continued, as usual, until the people got ready to "revise upward" again. Though slavery and secession were by this time almost all-absorbing in their interest, the Republican platform of 1860, on which Abraham Lincoln was first elected, stated the principles of the protective tariff in no uncertain terms.

OUR SECOND "WAR TARIFF"—PROSPERITY.

In the election of 1858 the Republicans carried the House, but the Senate remained Democratic. The Morrill bill, readjusting the tariff rates on thorough protection lines, passed the House on May 11, 1860; but it was held up in the Senate. After the election of 1860, when it had become evident that civil war was imminent, and after several southern Senators had therefore resigned, the Senate passed the bill. It was signed by James Buchanan on March 2, 1861, just before the expiration of his term as President. During the next few years there were several other acts "revising upward," the slanting line on the chart indicating the earlier ones. The average rate of duty from 1862 to 1871, as shown by the chart, was over 41 1847–8, and by insurrections and revolutions in Europe that period of marked business prosperity in this country.

"REVISION DOWNWARD" IN 1871–1873—HARD TIMES.

About 1870, although times were admittedly good, a demand arose for "reduction of war taxes." And in 1871, 1872, and 1873 reductions in the tariff were made. The sloping line on the chart indicates these reductions. These were followed by the panic of 1873. The hard times continued as usual until there came another "revision upward."

"REVISION UPWARD" IN 1875—PROSPERITY.

In 1875 there was a slight "revision upward," the 10 per cent reduction of 1872 being repealed. It was not through the amount of the upward revision that the good came. The good came through the "return of reason" that was thus revealed. The direction of the revision showed that the people had got over the idea of further revision downward at that time. Thus was confidence restored, and with that came renewed enterprise that resulted in prosperity. Under this prosperity, as is usual in good times, the people bought freely not only of domestic products but also of foreign goods. As a result, the revenues of the Government were large, and the public debt was rapidly cut down, and it became possible to get together a fund of gold in the National Treasury with which to "resume specie payments" in 1879. This still further enhanced public and private credit and further promoted prosperity.

PARTIAL REVISION DOWNWARD IN 1883—PARTIAL HARD TIMES.

But again was it shown that "it takes a steady hand to carry a full cup." Under what seemed to be popular demand, a "tariff commission" was appointed in 1882, and in 1883 the tariff was slightly revised downward, the chief article to suffer being wool. The changes were so few that the average rate of duty remained practically unchanged, and the trouble resulting was confined largely to producers of wool. Although the reduction was not large, the wool industry was struck a blow from which it never recovered until the passage of the McKinley law.

Money kept pouring into the National Treasury faster than it was needed for public expenditures or could be applied to the public debt, and the "surplus" became so large as to raise again the question of tariff revision. In Mr. Cleveland's famous tariff message of December, 1887, he proposed to revise along the lines of a tariff "for revenue only." The Republican national platform of 1888 stood for a tariff "for revenue plus protection." On that issue the Republicans won, carrying the Presidency and Congress.

"REDUCING THE REVENUES" IN 1890—TROUBLE.

When Congress assembled in December, 1889, Thomas B. Reed was elected Speaker. He promptly appointed William McKinley chairman of the Committee on Ways and Means. On October 1, 1890, was passed the McKinley tariff act, "to reduce the revenue and equalize duties on imports." Raw sugar was put on the free list. As we were producing only one-tenth of the sugar that we consumed, sugar was not regarded as having a right to protection. Through this item chiefly, we had in the McKinley law "revision downward," as is shown here on the chart. And the usual result of revision downward promptly appeared. The winter following the passage of the McKinley law we had hard times in this country. It is true that owing to the failure of the great English banking house of Baring Brothers and other world disasters, there was business depression all over the world that winter. And in this country, the election of 1890 gave the Democratic party an overwhelming majority in this House, which our business men rightly interpreted as being ominous for the election of 1892. All these things tended to give the McKinley law a bad start.

THE M'KINLEY LAW JUSTIFIED ITSELF.

But although in this case, as always, "revision downward" resulted in hard times, the McKinley law was so scientifically constructed, the rates of duty were arranged so nearly in accord with sound protective principles, grading the rates according to the amount and quality of labor involved, that this country promptly recovered, and with us the years 1891 and 1892 were very prosperous ones. Barring the removal of the duty on raw sugar and other additions to the "free" list, the rates of duty in the McKinley law were only slightly less than those in the law that it superseded. On some articles, like tin plate and wool, the McKinley rates were a little higher than before, the result being that those industries were established on a sounder basis in this country.

HOW THE THREAT OF TARIFF REDUCTION WORKED.

In the election of 1892 Grover Cleveland was again chosen President on a platform pledging a tariff "for revenue only."

The protective-tariff policy was apparently repudiated by the people. With Cleveland was elected a Democratic House of Representatives. At first it seemed likely that the Senate would remain Republican and thus be able to save the country, as in the first Cleveland Administration. But in February, 1893, to the surprise of everyone, the North Dakota legislature, though strongly Republican, elected a Democrat as United States Senator to succeed a Republican. This gave the Senate to the Democrats. Then, like people in a theater when the cry of "fire" is raised, the business men of the country became greatly alarmed. Two results followed: In the first place, our manufacturers and other producers began to curtail production, and large numbers of men were thrown out of employment. In the second place, the importers reduced the amount of their importations, especially of articles most needing protection and having the highest rates of duty. Thus, as shown by the chart, we had actual tariff reduction and its sad effects long before the law for it was put on the statute book. Coming catastrophes that can be foreseen do harm in advance.

THE WILSON TARIFF REDUCTION—HARD TIMES.

Even after the repeal of the unwise "silver-purchase" provision of the Sherman law in 1893 the hard times continued, because the Democratic party was in complete possession of the Government. With this threat of unwise tariff legislation impending, every prudent business man moved with the utmost caution. And their fears were justified by the result. On August 27, 1894, the Wilson-Gorman bill became a law, even the Democratic President refusing to sign it and declaring it an act of "perfidy and dishonor." This act reduced duties by law, and the hard times continued, illustrating once more that "tariff reduction brings hard times."

"REVISION UPWARD" IN 1897—PROSPERITY.

In 1896, after four years of very hard times through "tariff reduction," William McKinley, protection's foremost advocate, was elected President, with both Houses of Congress Republican. In the spring of 1897, shortly after his inauguration, McKinley called Congress into extra session to "revise the tariff." Under the circumstances everyone knew that that could have but one meaning, "revision upward," and it is noteworthy that no business man had any fear of the result. Business began at once to pick up. But not until the Dingley law had been actually put on the statute book, on July 27, 1897, did business fully recover. Then, with the conditions fully known under which business could be safely conducted, enterprise revived. Then "general prosperity," whose coming our Democratic brethren had been demanding ever since election, came promptly and in wonderful measure.

In some schedules—such as those of steel and iron, which remain almost exactly as in the Wilson law—the Dingley law made few or no changes in the rates of duty that had prevailed. In some schedules slight reductions and in others slight increases were made. In a few other schedules—as, for instance, the agricultural—some quite material increases were made. Some of the rates in the Dingley law are high, as they ought to be, in order to measure "at least the difference in cost of production at home and abroad." In some lines our wages are two or three times the wages abroad. In its scientific arrangement of rates of duty in harmony with sound protective principles—with a large "free" list of noncompeting articles, with low duties on articles requiring little labor or skill in their production, gradually increasing to high duties on articles requiring for their production many processes and high skill—the Dingley law excels every other tariff law ever enacted. It is through this scientific arrangement of duties, rather than through high average rates, that the Dingley law has achieved its wonderful and enduring success. As a matter of fact, which anyone can verify for himself by consulting the official figures given in the appendix to these remarks, the average ad valorem rate of duty under the Dingley law during the fiscal year ending June 30, 1905, the last now available, is less than 2 per cent higher than the average under the Wilson law during its last year, ending June 30, 1897.

In fact, Mr. Chairman, the average rate of duty is to-day only about 24 per cent, which is only just above the danger line, as revealed by more than a century of experience.

"REVISION DOWNWARD" ALWAYS BRINGS HARD TIMES.

And now, Mr. Chairman, having concluded this necessarily brief review of our national experience with tariff revision, keeping in mind the picture of that experience shown to the eye by this chart, is there anyone who can not see that "tariff revision downward" always results in hard times, the rule having been somewhat modified under the Walker tariff by a peculiar train of circumstances?

As the distinguished writer on economic subjects, Mr. Francis Curtis, well says:

The history of our tariff laws shows, too, that in every instance without exception since the foundation of the Government, where the existing tariff, or any part of it, has been reduced, there have followed disastrous consequences in all or a part of our industries. There has not been a single exception—not one. On the other hand, it can be said that in every instance where the tariff has been increased as a whole, or upon single industries, those industries and the commercial prosperity of the country at large have been increased, and continued so long as that higher tariff itself continued. This, too, can be laid down as a rule without a single exception.

WHY NOT "REVISE UPWARD?"

When "revision downward" is expected, even the anticipation of it always causes business disturbance throughout the country. Never once has either the anticipation or the realization of "revision upward" had other than a good effect. When the Dingley law was enacted it aimed to measure as nearly as possible the difference in cost of production at home and abroad. Since then wages have increased much faster in the United States than in any other country, so that in quite a number of lines the protection is now hardly adequate. Why not, then, readjust the rates at this time so as to afford to these industries the ample protection to which they are entitled? Because, unlike 1897, the mind of the country is now divided as to the direction revision should take. The talk of the agitators is in favor of revision downward. To undertake tariff readjustment under such circumstances would, therefore, introduce confusion and doubt among business men and halt the triumphal march of our great prosperity. Better that a few industries should temporarily get less protection than they are entitled to than that the people generally should suffer.

THEREFORE "STAND PAT."

Under the Dingley tariff law our prosperity as a nation has been the wonder and admiration of the world. Of course there are inequalities in that prosperity, but that is inevitable under any system. Our prosperity under this law has been more general and widespread, and the results have been more evenly distributed, than ever before in this or any other country in the world's history. Tested in any fair and proper way this is seen to be true. It is proved day by day in the news columns of the very papers whose editorial columns are demanding tariff revision. Partial revision is impossible, by reason of the nmuber and variety of the demands. When revision comes, it will be general. The probability is that there will be more increases than decreases of duty. But at this time the sensible thing to do is to hold fast to a prosperity that is continually growing better. The wise and patriotic thing now is to oppose tariff changes, either upward or downward, and to uphold tariff stability. The sensible thing to do now is to "stand pat."

In 1892, with prosperity till then unequaled, arose a demand for "a change." I "stood pat" then as I stand pat now. Not a man who then stood for tariff stability has ever for one moment regretted having done so. Those who allowed themselves to be led away into folly then have all regretted it and should know better now.

In this connection I submit to every intelligent American who loves his country the following editorial from the Winnebago, Minn., Enterprise:

"DID YOU?

"Did you, my friend, yield, in 1892, to the clamor about 'robber tariff' and cast your vote against Harrison and protection? Did you get carried away by Cleveland's cry of 'cheaper goods for the consumer' and help to elect him President of the United States? If so, are you proud now of what you did then? Do you think that you acted wisely? Profiting by experience, will you be wiser this year, or will you allow yourself to be beguiled again by the same old tale?

"And you, my brother, did you 'stand pat' in 1892 and oppose the professed 'friend of the common people,' Grover Cleveland? Did you intelligently advocate adequate protection to every American industry, North and South, East and West? Did you vigorously contend for a consistent and nation-wide protective-tariff policy for farm and factory alike? If so, have you any regrets now for what you did then? Don't you look back on your course, hard though it may have been at times, with genuine satisfaction—the satisfaction that dwells with men who habitually think wisely and act bravely in their country's interest? Hasn't experience proved that you were right? And wasn't the principle for which you then so valiantly contended an enduring one, as true now as it was then? Is there any good reason why you should now do otherwise than as you did then? Are you going to fall a victim to the old folly in a new form? Are you less wise now than you were fourteen years ago?

"And you, young man, about to cast your first vote—you who are so properly proud of reaching this high privilege of citizenship, you who feel in your heart the sincere desire to use your vote and your influence always for your country's good—are you patiently studying the lessons of experience, highly resolved so to vote this year that fourteen years or forty years from now you can look back upon your first vote with pride and satisfaction?"

A CALL TO DUTY.

Mr. Chairman, the people of this country intend to do their duty as they understand it. If the United States were invaded by an armed foe, millions of men would rush to arms to protect the Great Republic, and would deem it joy to die in her defense. A duty just as real, just as important, just as imperative, now calls on every citizen of this country to stand loyally by her

interests. The attack on our homes and firesides is just as real as if it were being made by an armed force. In the presence of the attack that all could see petty things would be set aside. Then would we appreciate the fact that the good of all includes the good of each. That truth is universal. It is just as true in this conflict as it would be if a foreign foe were advancing on our shores. Let us all study and heed the plain lessons of history. Let us do our duty intelligently and courageously, so that years from now we may look back upon our acts this fall with pride and not with shame.

WASHINGTON'S WISE WORDS.

Mr. Chairman, it is the universal testimony of thoughtful students of political science in all parts of the world that the greatest piece of constructive statesmanship ever wrought out "by the brain and purpose of man," to use Gladstone's words, was the framing of the Constitution under which this nation has lived and grown for more than a hundred years. The constitutional convention that worked through the hot summer of 1787, from May until September, gave us a form of government which was admirably adapted to the little nation for which they immediately constructed it, a nation of 4,000,000 people inhabiting a strip of territory along the Atlantic coast. That Constitution has grown in our affection and our confidence as the years have passed, and to-day, when our country covers a continent and embraces the islands of the oriental seas, that wonderful instrument of government, substantially unchanged as it came from the fathers, is everywhere held up by our people as the standard by which to test the wisdom of our legislation.

Looking back over the century and more since the work of that convention was completed, it seems to those who have given most faithful study to our national affairs that the men who sweltered through that hot summer in their country's interest must have been inspired with wisdom almost divine. And yet, Mr. Chairman, even in that great convention there were men who lacked foresight and courage and faith in the people. There were men there who were afraid to support certain important provisions, because for the time being they seemed to be unpopular. It seemed at one time that the convention must break up in failure on account of the timidity of these men, who wanted to submit to the people some little temporary palliatives of existing troubles instead of building for the centuries by laying the foundations deep and strong. At that trying hour, when the fate of the nation was at stake, George Washington made a brief speech, which was one of many evidences of his exalted character and his inherent nobility. Rising from the chair that he occupied as presiding officer, he said with solemnity that was impressive:

> It is too probable that no plan we propose will be adopted. Perhaps another dreadful conflict is to be sustained. If, to please the people, we offer what we ourselves disapprove, how can we afterwards defend our work? Let us raise a standard to which the wise and the honest can repair; the event is in the hand of God.

Awed by the majesty of that utterance the objectors were stilled. The statesmen in the convention triumphed over the mere politicians. Triumphed also the idea that the first duty of a man intrusted with power for the public good is not to please the people, but to serve them. Thus went into the Constitution the elements that have made it worthy to endure, and through which it has endured and will endure. It would be well if those words of Washington were emblazoned in letters of gold on the walls of each of the Houses of Congress as an inspiration to faith in the might of right and in the common sense of the common people. Better still would it be to have them written on the heart of every Member so deeply as to govern his every act. From this experience, Mr. Chairman, it ought not to be very hard for even a mere politician to discover that the surest way to please the people in an enduring way is to do the right thing and trust the people to approve it when they have had time to investigate and understand it.

"AMERICA SPELLS OPPORTUNITY."

Mr. Chairman, our country sits enthroned on a vast continent enormously rich in natural resources. Within our national boundaries can be produced practically every article of temperate and subtropical growth. Beneath our soil lies in abundance every useful and precious metal and mineral. The topography of our land is such as to furnish power with which to turn the wheels of a boundless industry. Our people have come from almost every foreign country, and in the main they are among the best and most desirable of those lands, the people of character and capacity, of courage and enterprise, of talent and industry. The resources, material and mental, with which we are endowed are so bountiful and our standard of living is so high that we have already created within this country a domestic commerce that is twice as great as the international commerce of the entire world, including our own. And in this commerce within our national borders the profits of the exchanges on both sides remain our national possession.

And, sir, much as we have accomplished, we have but scratched the surface of our national possibilities. Our manifest destiny and our plain national duty are to develop fully and harmoniously all the resources of materials and men with which a kind Providence has so richly endowed us. We are the heirs of a mighty and glorious past. We are enjoying the fruits of the labors and sacrifices of our fathers. This is our high privilege. Let us not forget that we are also the trustees of a yet mightier and more glorious future. This imposes upon us high duty. In pursuance of that duty, let us sternly resolve, uninfluenced by temptations, undeceived by fallacies, and undeterred by opposition, that we shall preserve in full power our fundamental institutions and protect our high standard of living. Thus shall we keep wide open for ourselves and our children and our children's children the golden gate of opportunity. [Applause.]

APPENDIX A.

Total value of imports entered for consumption, and duties collected, 1821 to 1905.

Year ending—	Value.				Amount of duty collected.	Average ad valorem rate of duty on—		Duty collected per capita.
	Free.	Dutiable.	Total.	Per cent of free.		Dutiable	Free and dutiable.	
September 30—	*Dollars.*	*Dollars.*	*Dollars.*		*Dollars.*	*Per cent.*	*Per cent.*	*Dollars.*
1821	1,730,725	41,965,680	43,696,405	3.96	18,883,252.36	35.97	34.64	1.90
1822	3,554,1[illegible]	64,841,527	68,395,673	5.19	24,005,396.87	31.73	30.17	2.36
1823	2,626,6[illegible]	48,684,106	51,310,736	5.12	22,416,277.19	32.71	30.93	2.13
1824	3,083,408	50,763,159	53,846,567	5.73	25,515,966.48	37.53	35.36	2.36
1825	3,707,960	62,687,762	66,395,722	5.58	31,683,096.15	37.10	35.13	2.84
1826	4,650,373	53,002,204	57,652,577	8.06	26,108,254.74	36.06	33.43	2.28
1827	2,890,130	52,010,978	54,901,108	5.26	27,962,145.43	41.35	39.20	2.38
1828	4,012,196	62,963,309	66,975,505	6.00	29,966,472.23	39.36	36.99	2.46
1829	3,481,946	51,259,625	54,741,571	6.36	27,769,769.03	44.30	41.39	2.22
1830	3,511,586	46,063,513	49,575,099	7.09	28,417,055.96	48.88	45.31	2.21
1831	5,508,094	77,300,016	82,808,110	6.65	38,623,070.48	40.81	38.19	2.77
1832	6,996,732	68,330,956	75,327,688	9.29	29,356,056.74	33.83	30.86	2.16
1833	20,211,075	63,258,392	83,470,067	24.21	24,196,103.67	31.96	23.95	1.73
1834	39,721,515	47,248,632	86,973,147	45.67	18,987,952.77	32.67	17.43	1.32
1835	57,795,380	64,211,594	122,007,974	47.37	25,931,233.16	36.04	18.95	1.75
1836	70,120,705	88,690,687	158,811,392	44.15	30,991,510.93	31.65	17.55	2.04
1837	50,977,428	62,333,143	113,310,571	44.99	18,191,605.31	25.36	13.94	1.16
1838	28,161,583	48,391,015	86,552,598	44.09	19,908,861.98	37.84	20.84	1.24
1839	65,188,174	80,682,642	145,870,816	44.76	25,631,888.13	29.90	16.38	1.55
1840	42,110,829	44,139,506	86,250,355	48.82	15,178,975.46	30.37	15.45	.88
1841	57,078,044	57,698,265	114,776,309	49.73	19,941,090.29	32.20	16.22	1.13
1842	23,346,171	64,650,147	87,996,318	26.53	16,686,341.92	24.00	17.37	.91
June 30—								
1843 (9 months)	11,571,486	25,722,643	37,294,129	31.03	7,508,627.19	25.73	17.70	.40
1844	16,684,902	79,705,646	96,390,548	17.31	29,395,762.56	35.13	28.65	1.53
1845	15,664,548	89,934,993	105,599,541	14.83	30,978,558.44	32.57	27.37	1.56
1846	18,647,378	91,401,481	110,048,859	16.94	30,484,716.34	31.45	25.85	1.48
1847	15,828,500	100,419,095	116,257,595	13.62	28,137,922.86	26.86	22.98	1.33
1848	14,946,012	125,705,826	140,651,838	10.63	33,024,303.09	24.97	22.22	1.51
1849	13,710,610	118,854,498	132,565,108	10.34	31,027,772.46	24.73	21.97	1.38

Total value of imports entered for consumption, and duties collected, 1821 to 1905—Continued.

Year ending—	Value.				Amount of duty collected.	Average ad valorem rate of duty on—		Duty collected per capita.
	Free.	Dutiable.	Total.	Per cent of free.		Dutiable	Free and dutiable.	
June 30—	*Dollars.*	*Dollars.*	*Dollars.*		*Dollars.*	*Per cent.*	*Per cent.*	*Dollars.*
1850	15,982,458	148,051,575	164,034,033	9.74	40,181,813.04	25.85	23.16	1.73
1851	17,910,930	182,565,378	200,476,308	8.93	48,626,600.08	25.44	23.07	2.03
1852	21,649,731	173,737,583	195,387,314	11.08	47,577,633.19	25.96	22.94	1.92
1853	24,732,613	225,424,532	250,157,145	9.89	58,467,814.85	25.93	23.37	2.28
1854	22,552,835	253,535,495	276,088,330	8.17	64,931,607.09	25.61	23.52	2.43
1855	29,913,974	201,736,366	231,650,340	12.91	54,119,676.91	26.82	23.36	1.99
1856	49,603,470	246,047,468	295,650,938	16.77	64,084,401.56	26.05	21.68	2.23
1857	49,942,107	283,569,188	333,511,295	14.98	63,664,863.56	22.45	19.09	2.20
1858	55,202,929	187,385,484	242,678,413	22.78	42,046,722.31	22.44	17.33	1.41
1859	66,856,406	249,966,964	316,823,370	21.10	48,894,683.55	19.56	15.43	1.59
1860	68,391,038	267,891,447	336,282,485	20.34	52,692,421.02	19.67	15.67	1.68
1861	67,421,022	207,235,303	274,656,325	24.55	39,038,269.16	18.84	14.21	1.22
1862	49,842,947	128,487,253	178,330,200	27.95	46,509,214.66	36.19	26.08	1.42
1863	30,026,756	195,348,524	225,375,280	13.32	63,729,208.24	32.62	28.28	1.91
1864	38,162,565	262,950,757	301,113,322	12.67	98,465,957.27	36.69	32.03	2.83
1865	40,097,208	169,559,317	209,656,525	19.12	80,635,169.78	47.56	38.46	2.33
1866	57,121,869	366,349,277	423,470,646	13.49	177,056,523.27	48.33	41.81	4.96
1867	17,033,130	361,125,553	378,158,683	4.50	168,503,750.00	46.67	44.56	4.65
1868	15,147,618	329,661,302	344,808,920	4.40	160,532,779.00	48.63	46.49	4.34
1869	21,692,532	372,756,642	394,449,174	5.50	176,557,584.00	47.22	44.65	4.68
1870	20,214,105	406,131,905	426,346,010	4.74	191,513,974.00	47.08	42.23	4.96
1871	40,619,064	459,597,058	500,216,122	8.12	202,446,673.00	43.95	38.94	5.12
1872	47,683,747	512,735,287	560,419,034	8.51	212,619,105.00	41.35	37.00	5.23
1873	178,399,796	484,746,861	663,146,657	26.90	184,929,042.00	38.07	26.95	4.43
1874	151,694,834	415,748,693	567,443,527	26.73	160,722,285.00	38.53	26.88	3.74
1875	146,465,463	379,795,113	526,260,576	27.83	154,554,983.00	40.62	28.20	3.51
1876	140,561,381	324,024,926	464,586,307	30.26	145,178,603.00	44.74	30.19	3.22
1877	140,840,149	298,989,240	439,829,389	32.02	128,428,343.00	42.89	26.68	2.77
1878	141,359,059	297,063,409	438,422,468	32.24	127,195,159.00	42.75	27.13	2.67
1879	142,550,159	296,742,215	439,292,374	32.45	133,395,436.00	44.87	28.97	2.75
1880	208,049,180	419,505,091	627,555,271	33.15	182,747,654.00	43.48	29.07	3.64
1881	202,557,412	448,061,588	650,619,000	31.13	193,800,880.00	43.20	29.75	3.78
1882	210,721,881	505,491,967	716,213,948	29.42	216,138,916.00	42.66	30.11	4.12
1883	205,913,289	493,916,384	700,829,673	29.52	210,637,293.00	42.45	29.92	3.92
1884	211,280,285	456,295,124	667,575,389	31.15	190,282,836.00	41.61	28.44	3.47
1885	122,912,294	386,537,820	579,580,054	33.28	178,151,601.00	45.86	30.59	3.17
1886	211,850,759	413,778,055	625,308,814	33.83	189,410,448.00	45.55	30.13	3.30
1887	233,093,659	450,325,322	683,418,981	34.11	214,222,310.00	47.10	31.02	3.67
1888	244,104,852	468,143,774	712,248,626	34.27	216,042,256.00	45.63	29.99	3.60
1889	256,574,630	484,856,768	741,431,398	34.61	220,576,989.00	45.13	29.50	3.62
1890	266,103,048	507,571,764	773,674,812	34.39	226,540,037.00	44.41	29.12	3.62
1891	388,064,404	466,455,173	854,519,577	45.41	216,885,701.00	46.28	25.25	3.40
1892	458,074,604	355,526,741	813,601,345	56.30	174,124,270.00	48.71	21.26	2.65
1893	444,172,034	400,282,519	844,454,583	52.60	199,143,678.00	49.58	23.49	3.00
1894	378,988,717	257,645,703	636,614,420	59.53	129,558,892.00	50.06	20.25	1.92
1895	376,820,100	354,271,990	731,162,090	51.55	149,450,608.00	41.75	20.23	2.17
1896	368,807,523	390,796,561	759,694,084	48.56	157,013,506.00	39.95	20.67	2.23
1897	381,902,414	407,348,616	789,251,030	48.39	172,760,361.00	42.17	21.89	2.41
1898	201,534,005	296,619,695	587,153,700	49.65	145,438,385.00	48.75	24.77	1.99
1899	299,668,977	385,772,915	685,441,892	43.72	202,072,050.00	52.07	29.48	2.72
1900	366,759,922	463,759,330	830,519,252	44.16	229,300,771.00	49.24	27.62	3.01
1901	339,093,256	468,670,045	807,763,301	41.98	233,556,110.00	49.64	28.91	3.06
1902	396,542,233	503,251,521	899,793,754	44.01	251,453,155.00	49.78	27.95	3.17
1903	437,230,728	570,669,382	1,007,900,110	43.38	280,752,415.55	49.03	27.85	3.49
1904	454,153,100	527,669,459	981,822,559	46.26	258,161,129.58	48.77	26.29	3.15
1905	517,073,277	570,044,856	1,087,118,133	47.56	258,426,294.58	45.24	23.77	3.11

APPENDIX B.

SINGLE TARIFF OR DUAL TARIFF—WHICH?

[By the Hon. JAMES T. MCCLEARY, Representative of the Second Minnesota district in Congress; member of the Ways and Means Committee.]

[Review of Reviews, April, 1906.]

Last October a meeting of prominent German exporters was held in Berlin to discuss American tariff conditions. It was a secret meeting and its proceedings were never published. But the speech of the chairman was issued for confidential circulation and copies of it have found their way to this country. The speech may later be published in full. It would make interesting reading for our people. Only one sentence of the speech will be quoted here. After referring to the American market, its enormous value, and the great care with which it is guarded by our laws, the chairman made this very significant and suggestive statement: "But with a Government that can be changed every four years, it is equally an easy matter to change the tariff laws and customs regulations." Change them how? Through what agency? The chairman's statement gives special significance to the announcement in the press reports from Berlin that the German Government extends to the United States its lowest tariff rates under its new law for only a limited time, namely, until June 30, 1907, simply long enough "to afford time to conclude more permanent arrangements."

Why can not the "more permanent arrangements" be concluded sooner, if at all? Why wait until the middle of next year? What "change" related to this matter can possibly take place in the meantime? It is obvious that into the Congressional campaign this fall will be projected the question of the tariff, especially that phase of it involving the relative merits of single and dual tariffs. To decide wisely in this "government of the people," it is vitally important that every American citizen seek the fullest possible information. During the coming months much will be heard about "maximum and minimum rates," "autonomous and conventional tariffs," and such things. To contribute something toward a righteous conclusion on a momentous question is the purpose of this article.

NO SUCH THING AS INTERNATIONAL FREE TRADE.

There is no such thing as free trade among nations—that is, there is no nation in the world that admits free of duty all articles of foreign production. Almost every nation, however, admits certain classes of foreign articles duty free, the enumeration of such articles in the tariff law constituting its "free list." For instance, in the calendar year 1905 the United States admitted into this country absolutely free of duty foreign goods to the value of $530,464,135.

On the other hand, every country charges duties on certain classes of imported articles. Thus, in its fiscal year ending March 31, 1904, the United Kingdom of Great Britain and Ireland raised from duties on imports the enormous sum of £33,921,323 sterling, or about $169,000,000. Having a population of about 40,000,000, her customs collections amounted to about $4.25 per capita.

During our corresponding fiscal year ending June 30, 1904, the United States collected from duties on imports $261,274,565. Our population then being over 80,000,000, we raised from tariff duties only about $3.25 per capita, or $1 less per capita than the United Kingdom.

From this will appear the absurdity of saying that the United Kingdom has free trade, or even low rates of duty compared with ours.

PROTECTIVE AND NONPROTECTIVE TARIFFS.

In both the United States and the United Kingdom, then, duties on imports constitute the chief source of national revenue. The difference in the tariff policies of the two countries is really found in the articles each puts on its "dutiable" list and on its "free" list. In this country we lay the duties on articles such as we ourselves do or can produce economically in sufficient quantities to supply our own market—that is, on such articles as compete in our market with our own products. Noncompeting articles we admit free of duty. In the United Kingdom the policy is exactly the reverse of ours. There duties are laid on noncompeting articles, and nearly all competing articles are admitted duty free. Thus tea, which is not produced in either country, is on our free list and on Great Britain's dutiable list, while steel, which is produced in both countries, is on our dutiable list and on her free list. In other words, each of these countries admits free the articles that the other makes dutiable.

Countries which, like the United States, lay their duties on competing articles are said to have a "protective" tariff, while countries which, like the United Kingdom, lay their duties on noncompeting articles are said to have a tariff "for revenue only."

Almost every nation in the world except the United States may lay duties on exports also. But export duties are forbidden by our Constitution.

In this paper only methods of laying duties on imports will be discussed. Although each country has certain minor peculiarities in its mode of levying such duties, all the systems fall broadly into three classes or groups.

THE AMERICAN OR "SINGLE-TARIFF" SYSTEM.

The system that may properly be considered first, because it is in use in the largest number of countries, may be called the American or "single-tariff" system. Under this system each article on the dutiable list bears only one rate of duty—that is, the duty on any article is the same, no matter what country it comes from.

Throughout our entire national history, whatever party may have from time to time made the tariff law, the single-tariff system has, in the main and with only minor exceptions, been the one followed in the United States. In the main this system has also been the one obtaining in the United Kingdom and in Sweden, Norway, Denmark, Holland, and Turkey in Europe, and in most of the countries of the world outside of Europe, except Japan and Brazil.

In the other countries of Europe and in Japan and Brazil the so-called "dual-tariff" system is in vogue. Of these dual tariffs there are two general types, one of which may be called the French type and the other the German type.

THE FRENCH TYPE OF DUAL TARIFF.

Under the French type of dual tariff, which should, perhaps, be called the Spanish type, as it was first used in Spain, the tariff law itself definitely prescribes two sets of duties—two rates on each article on the dutiable list, except as to a few articles on which there may for special reasons be only one rate. The higher rates are called the "maximum" and the lower the "minimum." The important thing to observe is that both the maximum and the minimum rates are fixed and determined by the legislative authority of the country using this system. Then, through the executive branch of the government, countries granting concessions in their tariff rates that are satisfactory to the country having this French type, or which have a "most-favored-nation" treaty with it, are granted its minimum rates. All other countries are required to pay its maximum rates, except that concessions may be granted as to part of the imports from any country.

The French type of dual tariff is in vogue in France, Spain, Portugal, and Greece, and in Brazil. Until less than fifty years ago France used the single-tariff system; but in 1860 France entered into a treaty with the United Kingdom under which each country granted the other reduced rates on certain articles. Thus began in France what grew to be a system of dual tariff, somewhat like the German type, to be described shortly. In 1892, however, France abandoned that system and adopted the Spanish method, which she has since maintained.

THE GERMAN TYPE OF DUAL TARIFF.

Under the German type of dual tariff there is only one set of tariff duties prescribed in the tariff law as enacted by the legislative authority of the country—one rate on each article. This entire set of schedules is therefore called the "autonomous" tariff, meaning significantly the tariff made by the independent action of the nation's legislative authority, free from dictation or intervention by any other country. This law prescribes, however, rates of duty which in the main are higher than are needed, or even desired in some cases, by the country enacting it. The rates are thus purposely placed high, with the view of their being reduced by "concessions" through treaties with other countries. The set of duties thus arranged by treaty or convention constitutes what is aptly and significantly called the "conventional" tariff.

As a rule, the conventional tariff covers only a part of the items in the general, or autonomous, tariff. Thus, in the new German tariff law, which became operative March 1, there are 946 sections, but to only 243 of these do the conventional rates apply.

Under this system the autonomous tariff is avowedly enacted largely as a basis for "dickering" with other countries as to mutual tariff rates. In most countries having this system the conventional rates must be ratified by the legislative branch before becoming operative.

The German type of dual tariff is in vogue in Germany, Russia, Austria-Hungary, Italy, Belgium, Switzerland, Roumania, and Servia, and in Japan.

SOME GENERAL OBSERVATIONS.

It may be remarked in passing that in each of these systems slight modifications are sometimes made for special reasons. Scarcely one of the countries keeps its chosen type absolutely unbroken. Thus, in the new German tariff law there is a minimum fixed in the law itself (after the French type) on rye, wheat, and spelt, malting barley and oats, below which minimum—and it is a high one—the duties can not be reduced through treaty. And France has occasionally, under stress of tariff wars, reduced by treaty (after the German type) certain rates below those fixed in the law as the minimum.

A glance at the map of Europe will show that each of these systems has in the main its own section of the Continent. Thus, the single-tariff system is in use in northwestern Europe—in the United Kingdom, Sweden, Norway, Denmark, and Holland—with Turkey added. The French type of dual tariff is used in southwestern Europe—in France, Spain, and Portugal—with Greece added. And the German type of dual tariff is in use in central Europe, with the contiguous countries in the southern and eastern part of the Continent added.

Norway has been placed among the nations having the single-tariff system. And this is correct in fact, though not in form. Norway's idea is unique and is well worthy of special consideration. Norway's law carries two rates of duty, after the French system. But, unlike France, Norway gives to every country her best rates of duty, unless she is discriminated against. She holds in reserve the higher rates of duty to apply to the goods of any country that may discriminate against the goods of Norway.

CHARACTERISTICS OF EACH SYSTEM.

The single-tariff system is built on the principle of "equal opportunity for all, special privileges to none." Under this system the goods of the smallest country are admitted on exactly the same terms as the goods of the largest country. All countries are treated alike. There is no country so weak that it need fear being discriminated against; there is no country so powerful that it can compel discrimination in its favor. Under the single-tariff system every country gets "a square deal."

A country having the single tariff system gives freely and voluntarily to every country the "best terms" that it gives to any country, and it has a right to demand in return from every country the best terms that are given to any country. And in support of that reasonable demand for the impartial treatment which it freely gives it may consistently and properly enact and hold in reserve a set of higher duties, as does Norway, to apply to the goods of any country which discriminates against its goods.

Both types of dual tariff are built on the principle of "giving to him that hath and taking from him that hath not." Under the dual tariff system the powerful are given what they want, while the weak must be satisfied with what they can get. The dual tariff is based on power, not on justice; on favor, not on equity. It is the very opposite of "the square deal." It is but the application among nations of the very principle that the people of the United States are fighting in the form of dual railway rates and the discriminations shown therein.

DUAL TARIFF SYSTEMS PROVOKE WAR.

In a public address at Pittsburg recently a distinguished gentleman from Boston advocated what he chose to call "reciprocity." In neither form nor spirit was it the reciprocity advocated by Blaine and practiced by McKinley. What he advocated as "reciprocity" was simply and only the German type of dual tariff. He urged his views on the ground that the policy advocated would cultivate international peace and good will, something that everybody desires.

The plea is not a new one. It is probably the most seductive argument in favor of so-called "reciprocity." The very word "reciprocity" has an attractive and persuasive sound. It suggests friendliness, mutual consideration, neighborly kindness. Even the dual tariff, if advocated as "reciprocity," may be made to seem attractive. But it is well to remember in this connection that the only real tariff wars that have ever taken place have been between countries having dual tariffs. Among recent examples may be cited the tariff wars between Germany and Russia, 1893–94; between France and Switzerland, 1892–1895, and the eleven-year conflict between France and Italy from 1888 till 1899.

The reason for such wars is not hard to find. A nation having the dual tariff system stands before other nations with a whip in one hand, as it were, and a wisp of hay in the other. The country of the dual tariff virtually says to other countries: "Give me what I want and I'll give you something good—that I don't want. Deny me what I want and I'll strike you." The country of the dual tariff neither needs nor desires its higher rates of duty; they are enacted simply as a club to be held over the heads of other countries. The very attitude of such a country is a challenge to conflict. No wonder that every real tariff war in history has been between countries having dual tariffs.

Conversely, there has never been a tariff war between two countries having the single tariff system. Under that system there is neither necessity nor opportunity for such a war.

Whether among persons or among nations there is nothing so provocative of anger and resentment as "showing favors" to some that are not accorded to others. On the other hand, there is nothing so promotive of peace and good will as evenhanded justice to all.

APPENDIX C.

ROOSEVELT ON THE TARIFF.

In his speech accepting the Republican nomination for the Presidency on July 27, 1904, President Roosevelt said:

"MR. CHAIRMAN AND GENTLEMEN OF THE NOTIFICATION COMMITTEE: I am deeply sensible of the high honor conferred upon me by the representatives of the Republican party assembled in convention, and I accept the nomination for the Presidency with solemn realization of the obligations I assume. I heartily approve the declaration of principles which the Republican national convention has adopted, and at some future day I shall communicate to you, Mr. Chairman, more at length and in detail a formal written acceptance of the nomination.

* * * * * * *

"In the years that have gone by we have made the deed square with the word, and if we are continued in power we shall unswervingly follow out the great lines of public policy which the Republican party has already laid down, a public policy to which we are giving, and shall give, a united, and therefore an efficient, support.

* * * * * * *

"We know our own minds and we have kept of the same mind for a sufficient length of time to give to our policy coherence and sanity.

DINGLEY TARIFF LAW INDORSED.

"We have enacted a tariff law under which, during the past few years, the country has attained a height of material well-being never before reached. Wages are higher than ever before. That whenever the need arises there should be a readjustment of the tariff schedules is undoubted, but such changes can with safety be made only by those whose devotion to the principle of a protective tariff is beyond question, for otherwise the changes would amount not to readjustment, but to repeal. The readjustment when made must maintain and not destroy the protective principle. To the farmer, the merchant, the manufacturer this is vital; but perhaps no other man is so much interested as the wage-worker in the maintenance of our present economic system, both as regards the finances and the tariff.

OUR HIGH STANDARD OF LIVING.

"The standard of living of our wage-workers is higher than that of any other country, and it can not so remain unless we have a protective tariff which shall always keep as a minimum a rate of duty sufficient to cover the difference between the labor cost here and abroad. Those who, like our opponents, 'denounce protection as a robbery' thereby explicitly commit themselves to the proposition that if they were to revise the tariff no heed would be paid to the necessity of meeting this difference between the standards of living for wage-workers here and in other countries, and therefore on this point their antagonism to our position is fundamental.

PROMISES VERSUS PERFORMANCES.

"Here again we ask that their promises and ours be judged by what has been done in the immediate past. We ask that sober and sensible men compare the workings of the present tariff law, and the conditions which obtain under it, with the workings of the preceding tariff law of 1894 and the conditions which that tariff of 1894 helped to bring about.

RECIPROCITY.

"We believe in reciprocity with foreign nations on the terms outlined in President McKinley's last speech, which urged the extension of our foreign markets by reciprocal agreements whenever they could be made without injury to American industry and labor. It is a singular fact that the only great reciprocity treaty recently adopted—that with Cuba—was finally opposed almost alone by the representatives of the very party which now states that it favors reciprocity. And here again we ask that the worth of our words be judged by comparing their deeds with ours.

GOVERNING CAPACITY OF REPUBLICAN PARTY.

"On this Cuban reciprocity treaty there were at the outset grave differences of opinion among ourselves; and the notable thing in the

negotiation and ratification of the treaty, and the legislation which carried it into effect, was the highly practical manner in which without sacrifice of principle these differences of opinion were reconciled. There was no rupture of a great party, but an excellent practical outcome, the result of the harmonious cooperation of two successive Presidents and two successive Congresses. This is an illustration of the governing capacity, which entitles us to the confidence of the people not only in our purposes but in our practical ability to achieve those purposes. Judging by the history of the last twelve years, down to this very month, is there justification for believing that under similar circumstances and with similar initial differences of opinion, our opponents would have achieved any practical result?"

THE TARIFF IN ROOSEVELT'S LETTER OF ACCEPTANCE.

In his formal letter accepting the Republican nomination for the Presidency, addressed to Hon. JOSEPH G. CANNON, of Illinois, Speaker of the National House of Representatives, who was chairman of the committee of notification, President Roosevelt discussed the tariff question in its various phases, as follows:

THE PROTECTIVE TARIFF.

"When we take up the great question of the tariff, we are at once confronted by the doubt as to whether our opponents do or do not mean what they say. They say that 'protection is robbery,' and promise to carry themselves accordingly if they are given power. Yet prominent persons among them assert that they do not really mean this, and that if they come into power they will adopt our policy as regards the tariff; while others seem anxious to prove that it is safe to give them partial power, because the power would be only partial, and therefore they would not be able to do mischief. The last is certainly a curious plea to advance on behalf of a party seeking to obtain control of the Government.

"At the outset it is worth while to say a word as to the attempt to identify the question of tariff revision or tariff reduction with a solution of the trust question. This is always a sign of desire to avoid any real effort to deal adequately with the trust question. In speaking on this point at Minneapolis, on April 4, 1903, I said:

"'The question of tariff revision, speaking broadly, stands wholly apart from the question of dealing with the trusts. No change in tariff duties can have any substantial effect in solving the so-called "trust problem." Certain great trusts or great corporations are wholly unaffected by the tariff. Almost all the others that are of any importance have, as a matter of fact, numbers of smaller American competitors; and of course a change in the tariff which would work injury to the large corporation would work, not merely injury, but destruction, to its smaller competitors; and equally, of course, such a change would mean disaster to all the wage-workers connected with either the large or the small corporations. From the standpoint of those interested in the solution of the trust problem, such a change would therefore merely mean that the trust was relieved of the competition of its weaker American competitors, and thrown only into competition with foreign competitors, and that the first effort to meet this new competition would be made by cutting down wages, and would therefore be primarily at the cost of labor. In the case of some of our greatest trusts such a change might confer upon them a positive benefit. Speaking broadly, it is evident that the changes in the tariff will affect the trusts for weal or for woe simply as they affect the whole country. The tariff affects trusts only as it affects all other interests. It makes all these interests, large or small, profitable, and its benefits can be taken from the large only under penalty of taking them from the small also.'

"There is little for me to add to this. It is but ten years since the last attempt was made, by means of lowering the tariff, to prevent some people from prospering too much. The attempt was entirely successful. The tariff law of that year was among the causes which in that year and for some time afterwards effectually prevented anybody from prospering too much, and labor from prospering at all. Undoubtedly it would be possible at the present time to prevent any of the trusts from remaining prosperous by the simple expedient of making such a sweeping change in the tariff as to paralyze the industries of the country. The trusts would cease to prosper; but their smaller competitors would be ruined, and the wage-workers would starve, while it would not pay the farmer to haul his produce to market. The evils connected with the trusts can be reached only by rational effort, step by step, along the lines taken by Congress and the Executive during the past three years. If a tariff law is passed under which the country prospers, as the country has prospered under the present tariff law, then all classes will share in the prosperity. If a tariff law is passed aimed at preventing the prosperity of some of our people, it is as certain as anything can be that this aim will be achieved only by cutting down the prosperity of all of our people.

IS THE DEMOCRATIC PARTY SINCERE?

"Of course, if our opponents are not sincere in their proposal to abolish the system of a protective tariff, there is no use in arguing the matter at all, save by pointing out again that if on one great issue they do not mean what they say it is hardly safe to trust them on any other issue. But if they are sincere in this matter, then their advent to power would mean domestic misfortune and misery as widespread and far-reaching as that which we saw ten years ago. When they speak of protection as 'robbery' they of course must mean that it is immoral to enact a tariff designed (as is the present protective tariff) to secure to the American wage-worker the benefit of the high standard of living which we desire to see kept up in this country. Now, to speak of the tariff in this sense as 'robbery,' thereby giving it a moral relation, is not merely rhetorical; it is on its face false. The question of what tariff is best for our people is primarily one of expediency, to be determined, not on abstract academic grounds, but in the light of experience. It is a matter of business, for fundamentally ours is a business people—manufacturers, merchants, farmers, wage-workers, professional men, all alike. Our experience as a people in the past has certainly not shown us that we could afford in this matter to follow those professional counselors who have confined themselves to study in the closet, for the actual working of the tariff has emphatically contradicted their theories. From time to time schedules must undoubtedly be rearranged and readjusted to meet the shifting needs of the country; but this can with safety be done only by those who are committed to the cause of the protective system. To uproot and destroy that system would be to insure the prostration of business, the closing of factories, the impoverishment of the farmer, the ruin of the capitalist, and the starvation of the wage-worker. Yet, if protection is indeed 'robbery,' and if our opponents really believe what they say, then it is precisely to the destruction and uprooting of the tariff, and therefore of our business and industry, that they are pledged. When our opponents last obtained power it was on a platform declaring a protective tariff 'unconstitutional;' and the effort to put this declaration into practice was one of the causes of the general national prostration lasting from 1893 to 1897. If a protective tariff is either 'unconstitutional' or 'robbery,' then it is just as unconstitutional, just as much robbery, to revise it down, still leaving it protective, as it would be to enact it. In other words, our opponents have committed themselves to the destruction of the protective principle in the tariff, using words which, if honestly used, forbid them from permitting this principle to obtain in even the smallest degree.

RECIPROCITY.

"Our opponents assert that they believe in reciprocity. Their action on the most important reciprocity treaty recently negotiated—that with Cuba—does not bear out this assertion. Moreover, there can be no reciprocity unless there is a substantial tariff; free trade and reciprocity are not compatible. We are on record as favoring arrangements for reciprocal trade relations with other countries, these arrangements to be on an equitable basis of benefit to both the contracting parties. The Republican party stands pledged to every wise and consistent method of increasing the foreign commerce of the country. That it has kept its pledge is proven by the fact that while the domestic trade of this country exceeds in volume the entire export and import trade of all the nations of the world the United States has in addition secured more than an eighth of the export trade of the world, standing first among the nations in this respect. The United States has exported during the last seven years nearly $10,000,000,000 worth of goods—on an average half as much again annually as during the previous four years, when many of our people were consuming nothing but necessaries, and some of them a scanty supply even of these.

"Two years ago, in speaking at Logansport, Ind., I said:

"'The one consideration which must never be omitted in a tariff change is the imperative need of preserving the American standard of living for the American workingman. The tariff rate must never fall below that which will protect the American workingman by allowing for the difference between the general labor cost here and abroad, so as at least to equalize the conditions arising from the difference in the standard of labor here and abroad—a difference which it should be our aim to foster in so far as it represents the needs of better-educated, better-paid, better-fed, and better-clothed workingmen of a higher type than any to be found in a foreign country. At all hazards, and no matter what else is sought for or accomplished by changes of the tariff, the American workingman must be protected in his standard of wages—that is, in his standard of living—and must be secured the fullest opportunity of employment. Our laws should in no event afford advantage to foreign industries over American industries. They should in no event do less than equalize the difference in conditions at home and abroad.'

NO LONGER A THEORY.

"It is a matter of regret that the protective tariff policy, which, during the last forty-odd years has become part of the very fiber of the country, is not now accepted as definitely established. Surely we have a right to say that it has passed beyond the domain of theory, and a right to expect that not only its original advocates, but those who at one time distrusted it on theoretic grounds, should now acquiesce in the results that have been proved over and over again by actual experience. These forty-odd years have been the most prosperous years this nation has ever seen; more prosperous years than any other nation has ever seen. Beyond question this prosperity could not have come if the American people had not possessed the necessary thrift, energy, and business intelligence to turn their vast material resources to account. But it is no less true that it is our economic policy as regards the tariff and finance which has enabled us as a nation to make such good use of the individual capacities of our citizens and the natural resources of our country. Every class of our people is benefited by the protective tariff. During the last few years the merchant has seen the export trade of this country grow faster than ever in our previous history. The manufacturer could not keep his factory running if it were not for the protective tariff. The wage-worker would do well to remember that if protection is "robbery," and is to be punished accordingly, he will be the first to pay the penalty; for either he will be turned adrift entirely or his wages will be cut down to the starvation point. As conclusively shown by the bulletins of the Bureau of Labor, the purchasing power of the average wage received by the wage-worker has grown faster than the cost of living, and this in spite of the continual shortening of working hours. The accumulated savings of the workingmen of the country, as shown by the deposits in the savings banks, have increased by leaps and bounds. At no time in the history of this or any other country has there been an era so productive of material benefit alike to workingman and employer as during the seven years that have just passed.

A HOME MARKET FOR AMERICAN FARMERS.

The farmer has benefited quite as much as the manufacturer, the merchant, and the wage-worker. The most welcome and impressive fact established by the last census is the wide and even distribution of wealth among all classes of our countrymen. The chief agencies in producing this distribution are shown by the census to be the development of manufactures, and the application of new inventions to universal use. The result has been an increasing interdependence of agriculture and manufactures. Agriculture is now, as it always has been, the basis of civilization. The 6,000,000 farms of the United States, operated by men who, as a class, are steadfast, single-minded, and industrious, form the basis of all the other achievements of the American people and are more fruitful than all their other resources. The men on those 6,000,000 farms receive from the protective tariff what they most need, and that is the best of all possible markets. All other classes depend upon the farmer, but the farmer in turn depends upon the market they furnish him for his produce. The annual output of our agricultural products is nearly $4,000,000,000. Their increase in value has been prodigious, although agriculture has languished in most other countries; and the main factor in this increase is the corresponding increase of our manufacturing industries. American farmers have prospered because the growth of their market has kept pace with the growth of their farms. The additional market continually furnished for agricultural products by domestic manufacturers has been far in excess of the outlet to other lands. An export trade in farm products is necessary to dispose of our surplus; and the export trade of our farmers, both in animal products and in plant products, has very largely increased. Without the enlarged home market to keep this surplus down, we should have to reduce production or else feed the world at less than the cost of production. In the forty years ending in 1900 the total value of farm property

increased twelve and a half billions of dollars, the farmer gaining even more during the period than the manufacturer. Long ago overproduction would have checked the marvelous development of our national agriculture, but for the steadily increasing demand of American manufacturers for farm products required as raw materials for steadily expanding industries. The farmer has become dependent upon the manufacturer to utilize that portion of his produce which does not go directly to food supply. In 1900 52 per cent, or a little over half, of the total value of the farm products of the nation was consumed in manufacturing industries as the raw materials of the factories. Evidently the manufacturer is the farmer's best and most direct customer. Moreover, the American manufacturer purchases his farm supplies almost exclusively in his own country. Nine-tenths of all the raw materials of every kind and description consumed in American manufactories are of American production. The manufacturing establishments tend steadily to migrate into the heart of the great agricultural districts.

"The center of the manufacturing industry in 1900 was near the middle of Ohio, and it is moving westward at the rate of about 30 miles in every decade; and this movement is invariably accompanied by a marked increase in the value of farm lands. Local causes, notably the competition between new farm lands and old farm lands, tend here and there to obscure what is happening; but it is as certain as the operation of any economic law, that in the country as a whole, farm values will continue to increase as the partnership between manufacturer and farmer grows more intimate through further advance of industrial science. The American manufacturer never could have placed this nation at the head of the manufacturing nations of the world if he had not had behind him, securing him every variety of raw material, the exhaustless resources of the American farm, developed by the skill and the enterprise of intelligent and educated American farmers. On the other hand, the debt of the farmers to the manufacturers is equally heavy, and the future of American agriculture is bound up in the future of American manufactures. The two industries have become, under the economic policy of our Government, so closely interwoven, so mutually interdependent, that neither can hope to maintain itself at the high-water mark of progress without the other. Whatever makes to the advantage of one is equally to the advantage of the other.

"THE WAGE-WORKER NEEDS PROTECTION.

"So it is as between the capitalist and the wage-worker. Here and there there may be an unequal sharing as between the two in the benefits that have come by protection; but benefits have come to both, and a reversal in policy would mean damage to both; and while the damage would be heavy to all, it would be heaviest, and it would fall soonest, upon those who are paid in the form of wages each week or each month for that week's or that month's work.

"Conditions change, and the laws must be modified from time to time to fit new exigencies. But the genuine underlying principle of protection, as it has been embodied in all but one of the American tariff laws for the last forty years, has worked out results so beneficent, so evenly and widely spread, so advantageous alike to farmers and capitalists and workingmen, to commerce and trade of every kind, that the American people, if they show their usual practical business sense, will insist that when these laws are modified they shall be modified with the utmost care and conservatism, and by the friends and not the enemies of the protective system. They can not afford to trust the modification of those who treat protection and robbery as synonymous terms.

APPENDIX D.

SHALL BUSINESS BE DISRUPTED BY IMMEDIATE TARIFF REVISION?—REPLY OF THEODORE JUSTICE, DIRECTOR OF THE AMERICAN PROTECTIVE TARIFF LEAGUE, TO THE ADDRESS OF THE SECRETARY OF THE NEW YORK COMMITTEE OF THE AMERICAN RECIPROCAL TARIFF LEAGUE.

[Delivered March 8, 1906, before the board of directors of the Trades League of Philadelphia.]

IMMEDIATE TARIFF REVISION.

To the Trades League, Philadelphia, Pa.

GENTLEMEN: The address by William E. Corwine, secretary of the New York committee of the American Reciprocal Tariff League, delivered before the trades league, printed and circulated by the latter, contains matter that makes it necessary to call the attention of the trades league to Mr. Corwine, and the motives of the association which he represents, whose title being a close counterfeit of the American Protective Tariff League may lead to confusion in the minds of many who may not know that the objects of these quite different associations are exactly opposed to each other. The American Protective Tariff League is organized and operating to build up and defend American industries, whereas the effect of the present active work of the American Reciprocal Tariff League is to break them down.

Mr. Corwine maintains close relations with Mr. Gustav A. Schwab, of the North German Lloyd Steamship Company, of whom more hereafter, and both gentlemen were active in the organization of the American Reciprocal Tariff League, organized in Chicago, August, 1905, the control and operations of which association are practically in the hands of these two gentlemen.

As Germany is the most conspicuous and most successful protective tariff country in Europe, and in some respects in the whole world, the new German tariff law is attracting universal attention, as it puts up her own tariff in order to force down ours. The reciprocity convention, held in Chicago last August, was largely inspired by this new German tariff, and that convention surrendered American to German ideas and resolved to memorialize Congress to enact a new tariff law similar to that of Germany, with maximum and minimum rates.

The American Reciprocal Tariff League, with its headquarters in Chicago, and the Merchants' Association of New York work in absolute harmony in their efforts to break down the American tariff system in favor of Germany. The Dingley Act, which embodies the American system, has promoted our manufacturing industries to such a degree that the people of the United States are the wonder and envy of the world. This Mr. Corwine's associates are trying to upset in order that Germany may benefit by it.

EFFECTS OF DINGLEY ACT.

There is not now nor has there been widespread demand here for change in our tariff law. Of course no tariff law is perfect. The Dingley Act corrected the errors of the Wilson and McKinley acts, and is probably as near perfect as any tariff law we shall ever produce. Human ingenuity could not frame a tariff law that would suit everybody, and if we revised the tariff now there would at once again be a clamor for its further revision by some dissatisfied faction. The law we have has worked so well, on the whole, that even leading Democrats acquiesced in it until stirred to activity by such agitators as Mr. Schwab and Mr. Corwine. Under the Dingley Act our foreign commerce for the fiscal year ending June 30, 1906, will reach approximately $3,000,000,000, with a balance of $600,000,000 in our favor. We never before had commerce even approximating this great volume. Surely such a tariff law is good enough to keep.

The President of the United States has been most emphatic in expressing his views upon the matter, and they are to the effect that when a tariff law is working reasonably well, as it is now, it ought not to be disturbed, unless the benefits to result from a change will manifestly outweigh the acknowledged disadvantages.

President Roosevelt's earnest desire to avoid unnecessary disturbances to business is shown in his last public speech, in which he states:

"In addition to honesty we need sanity. No honesty will make a public man useful if that man is timid or foolish, if he is a hot-headed zealot, or an impracticable visionary, for the wild preachers of unrest and discontent, the wild agitators against the existing order, the men who preach destruction without proposing any substitutes for what they intend to destroy, or who propose a substitute far worse than the existing evils—all these men are the most dangerous opponents of real reform. If they get their way, they will lead the people into a deeper pit than any into which they could fall under the present system.

"More important than all else is the welfare of the wage-earner, the welfare of the tiller of the soil, and upon these depend the welfare of the entire nation."

Who can doubt that he had the tariff rippers and advocates of reciprocity in competing articles like Argentine wool and French hosiery in his mind when he uttered in his now famous "muck-rake speech" these forcible and extremely applicable words?

CUSTOMS REGULATIONS.

The Merchants' Association, by arrangement of the western concern, has charge of the eastern territory, and both organizations, I am informed, are quite successful in obtaining funds for advancing the policy which they represent, which may be defined as follows:

Tariff revision, reciprocity in products which we ourselves produce, and the nullification of the administrative acts of the tariff, which, Von Buelow recently remarked, would be more useful to German exporters than any reductions in the Dingley schedules could possibly be.

Changes in the customs, rules, and regulations are sought in order that they may cripple the customs policy of the United States, partly in the interest of foreign-owned trans-Atlantic steamship lines, of importers and traders in foreign products, and to the detriment and injury of domestic producers. They seek to make such changes in our customs regulations as would make it more easy for foreign articles to enter the ports of this country, and particularly those of German make.

Honest importers, who are giving correct returns of the valuation of their commodities, are interested as much as are the revenue officers of our Government in seeing that there shall be no undervaluations by dishonest importers, who want the administrative acts changed in order to make possible systematic undervaluation. These administrative acts which they attack provide the machinery to prevent roguery of this kind, and the American people insist on keeping this machinery in motion. We must be wary to see that those who wish to avoid the payment of proper duties do not use the Trades League to further their ends.

It has been charged that the present and most active policy of these organizations (their legislative schemes having failed) is to prevent the nomination and election of protectionist Members of Congress. There is evidence that they propose to canvass every corner of the United States, and they seem to have begun their work in Philadelphia with the trades league. They admit that they are putting reading matter to this effect in the leading agricultural papers and paying for it at advertisement rates. It is therefore impossible to escape the conclusion that tariff-tearing legislation and its consequent disturbance to business is to be forced to an issue by Mr. Corwine's associates in this year's Congressional campaigns.

Among the principal backers of the opponents of protection in this line are the trans-Atlantic steamship companies, the western packing industries, the makers of agricultural implements, and other exporters, who seek to expand a foreign market which at present takes only 3 per cent of our entire production, there being a far better market at home for the other 97 per cent of it.

ACTIVITY OF FOREIGN STEAMSHIP COMPANIES.

Now let us see whom Mr. Schwab and Mr. Corwine represent. Mr. Schwab represents a German steamship company that wished to throttle our efforts to build up an American mercantile marine, so essential as an auxiliary to our Navy.

An officer of his line recently called the attention of an American passenger to the fact that the splendid fighting ships of our Navy are all underofficered and undermanned, and that in case of war we have no trained auxiliary resources to fall back upon.

They are desperately afraid that the United States will at last apply to its merchant marine, through subsidy, that protective policy so wonderfully successful with the German mercantile marine (which is the most heavily subsidized in the whole world), and also with the tariff-protected manufacturing industries of the United States.

They know, as do all other foreign shipowners, that if the United States does adopt that policy the foreign monopoly to which we pay out $1,000,000,000 every five years for carrying our commerce, every dollar of which should be earned by Americans and which monopoly now grips the throat of American commerce, will be broken. Consequently these powerful foreign steamship companies are doing everything they can to delude Congress and baffle the efforts of President Roosevelt and others who seek to create a great American shipping industry.

The tariff has so stimulated our steel and iron industries that we are now exporting bridges and locomotives on a large scale. Some one has recently said that a steel steamship is practically a bridge with a locomotive inside of it, which, in a rough way, illustrates our readiness to build up a mercantile marine just as soon as Congress applies to it, through the ship-subsidy bill, the system of subsidies that has built up the mercantile marines of not only Germany, but of France and England as well.

The British Government has practically advanced to the Cunard Company the whole cost of building their newest big ships, in order that Great Britain may have their use as auxiliary to its navy in case of war. Contrast with this deplorable condition, with no auxiliary ships at all for use in case of foreign war.

The real character and aims of foreign shipowners may be conjectured from the fact that one of the German steamship companies,

the Hamburg-American Company, took two of their fastest steamships out of the New York service during our war with Spain and deliberately sold them to the Spanish Government to burn, sink, and destroy the commerce of the American people, whose patronage had rolled up enormously the company's dividends. Our soldiers in the meanwhile were crowded like cattle in such old cast-off tubs as, by straining international laws to the breaking point, we could procure, and while our Government was embarrassed in every way for lack of American ships fast steamers were transferred from the German mercantile marine to assist our foe and to defeat our Army and Navy. One, if not both the ships sold by the Hamburg-American Line, formed a part of the squadron with which Admiral Camara sailed from Cadiz to strike Admiral Dewey at Manila.

At the same time the German squadron, under Von Diederichs, at Manila, was harrassing Admiral Dewey in every possible way to the verge of actual hostilities. It is stated, and I believe it to be true, that both the Hamburg-American and the North German Lloyd are largely controlled by members of the Imperial family and the Imperial Government of Germany, and that they are virtually a branch of the Imperial naval reserve.

Thus has the whole elaborate German Imperial programme aided the German mercantile marine, involving not only grants to trans-Atlantic lines, but often the carriage at only actual cost on German State railroads, of material for use in German shipyards. The offering of preferential railway rates on goods exported by German ships, and the interference with the passage through Germany of immigrants holding tickets by other than these German lines, are parts of this practice. These German steamship companies are, you will see, in one way or another the creatures of governmental favor, and this is the nation that Mr. Corwine would persuade you Americans to favor commercially.

Mr. Corwine comes before you to urge special tariff reductions on imports from Germany in exchange for rates that have been marked up in order to offer a marked-down concession. This is not such reciprocity as American exporters have been seeking.

The only way to meet it would be to follow the German example and enact a law increasing the rates now in force, to be used only against nations who make reprisals on us, so as to make concessions to friendly nations that would not fall below the present Dingley act rates of duty. As Secretary Shaw has so often and so well expressed it, Germany offers to treat the United States as well as she treats other friendly powers if we will in return treat Germany better than we treat any other friendly power. To make such an agreement with Germany would be equivalent to a commercial alliance and discrimination against every other commercial rival of Germany.

On February 18 Prince von Buelow, the Imperial Chancellor, sent to the Reichstag a bill for the extension of the United States tariff because he, at least, realized that in case of a tariff war with the United States much of the merchandise now and heretofore passing between Germany and the United States would still continue to be handled by us through free-trade England without any increase in duty, but instead of being carried as now in German ships would be carried in British bottoms.

GERMANY NOT TO WRITE OUR TARIFF LAWS.

Baron von Sternberg learned in Washington that the United States was not to be bluffed by Germany and would not permit Germany to write the tariff laws of the United States.

A canvass of the Members of Congress showed clearly that they would not submit to German reprisal, but that they would enact something like the McCleary bill, giving to Germany the same minimum tariff rates that were given to England, who buys more of us than all the rest of the world put together, and would then apply a penalty of 25 per cent to German imports of all kinds, whether now free or dutiable, if Germany discriminated against the United States. Such retaliation would hurt Germany more than it would hurt us.

The German threat of declaring a tariff war against the United States was therefore dropped and will not now be carried into effect.

The contention of Mr. Corwine that "it is clearly up to us in the next sixteen months to adopt a tariff policy which will enable us to make permanent our present trade relations with Germany" is a poor bluff, and is a contention based upon the single fact, perfectly obvious to those who will take the pains to grasp the situation in all its aspects, that Germany was certain to be the chief sufferer in a tariff conflict with the United States, and therefore could not afford it and would not adopt it. Mr. Schwab and Mr. Corwine both know this very well. Our imports from Germany consist almost exclusively of manufactured articles which we can produce in our own factories or buy as well in free-trade England.

Our sales to Germany for the most part are materials, such as cotton and copper, which Germany must have and can not obtain from any other country.

The position of the United States has at all times been an impregnable one. All we had to do was to state that Germany was to be treated exactly on the most favorable basis of any other nation, but not any better than England, our best customer, and then let Germany do the worrying, which she has done. Finding that she could not compel us to accede to her desires she has backed down, and will always do so when our position of equal fairness to all countries is not deviated from. The McCleary policy of a minimum and maximum tariff, with the Dingley Act as the minimum, but with a penalty of 25 per cent additional duties on the imports from any nation that discriminates unjustly against the products of the United States, is a policy that will always win popular support, as its mere introduction into Congress has recently done.

TO FORCE GERMAN COMPETITIVE PRODUCTS INTO THE UNITED STATES.

What Germany seeks is to force a wider opening for the entrance of her competitive products into the United States.

Our splendid market of 85,000,000 people, who are the most liberal purchasers on earth, was her main objective. The accomplished fact of the American protective tariff system had been to raise the standard of living in this country, which makes this big market of 85,000,000 people the best market in the world. This market is what Germany is striving for, and the trade treaties negotiated between her and other European nations were minor affairs. Those countries could not take much more than they had been taking, while, on the other hand, if the American tariff could be broken down Germany's sales to this country would be doubled, trebled, or even quadrupled, a prize which Mr. Corwine and Mr. Schwab and all other German representatives here see is worth striving for.

They have worked the German scare for all it was worth, and, as the event has proved, for much more than it was worth. Mr. Schwab and Mr. Corwine called together a reciprocity conference in Chicago, and the result of that movement was the organization of the American Reciprocal Tariff League, whose main object in its short life so far has been to frighten the western farmers into fits at the prospect of losing the market in Germany for their food products.

As has been previously stated, they were able to secure the strenuous cooperation of the Merchants' Association of New York, the entire Democratic press of the United States, German manufacturers, and American free traders, and a number of Republican newspapers, who for a time were deceived into helping along the movement to break down the American tariff system, but the determination expressed by the McCleary bill, with the Dingley tariff as the minimum, and a tariff penalty of 25 per cent additional as a maximum, to be used only as a reprisal against nations warring upon us, has enabled the American people to hold for the present the American market for the benefit of American labor and American industry.

AMERICAN TARIFF NOT TO BE BROKEN DOWN TO PLEASE GERMANY.

The American tariff must not be broken down to please Germany and her American reserves of free traders, tariff revisers, and reciprocarians, but Americans must ever continue to write American tariffs to suit American and not German interests.

From the testimony of the expert United States special agents who work in German territory it has been thoroughly demonstrated that in no respect is the German customs policy so reasonable and fair to American shippers as is the present policy of the United States to German shippers. A square deal to all is the United States practice.

Neither in Germany nor in any other country is there an independent board of appraisers, such as the United States employ, but, on the contrary, in Germany the customs officers are arbitrary and indulge in all sorts of unreasonable acts calculated to impede the introduction into their markets of American commodities. They find trivial excuses for excluding American horses, apples, and hog products, which latter are the most carefully and scientifically prepared for export of any similar products in the world. If, therefore, we have any favors to grant to foreign nations we should give them to England, our best customer, who welcomes our exports, and not to the German nation, which inclines to prohibitive duties upon so many American articles similar to those Germany herself manufactures or produces.

There is nothing that comes from Germany that we can not get elsewhere, and there is nothing that we sell to Germany, in case she plies up a prohibitive tariff against our exports, that we can not indirectly sell to Germany through other countries to whom Germany allows her minimum rates.

THAT THREATENED COMMERCIAL WAR VANISHES INTO THIN AIR.

The proposed prohibitive German duties upon many of our products which we are exporting to Germany in increasing quantities, as Mr. Corwine clearly states, if carried into effect without doubt "would under the new system have borne so heavily upon some of the products of our soil as to have been burdensome to us," but this is not so very alarming, for Germany can not afford to go into a tariff war with the United States, for whatever she ceases to buy of us she must buy elsewhere, which to some extent would make an opening and a market elsewhere for these American products.

Mr. Corwine speaks of the German tariff commission, composed of experts, which made an exhaustive study of the subject of German trade. Their present tariff bill was formulated as the result of this study, and after considerable discussion in the Reichstag became law over a year ago. Germany (hoping to frighten our timid people) immediately gave notice to the United States that it would become operative the 1st of March, 1906.

When our Congress failed to take any notice of the situation, and when the German officials discovered that a penalty of 25 per cent in retaliation was more than likely to be imposed on all German exports to this country, including many which are now free, they discovered that the United States had called Germany's bluff. So they laid down their cards, and the commercial war into which in his view we were drifting and which was so graphically portrayed by Mr. Corwine in his address to the Trades League, vanishes into thin air.

THAT BROAD AND ENLIGHTENED POLICY.

Mr. Corwine quotes President McKinley as stating that "only a broad and enlightened policy will keep what we have. No other policy will get more." That enlightened policy, in its perfection, is surely the policy of the Dingley tariff act, for under it our average annual imports in the first two fiscal years of this act were valued at $656,599,071, and the annual average of the last two fiscal years ending June 30, 1905, was $1,054,300,221, an increase of $397,701,150, or over 60 per cent. But Mr. Corwine endeavors to make us believe that in order to sell to a country we must buy from her. Let us see if this is true.

We sold to foreign nations during the first two fiscal years of the Dingley tariff act an annual average of $1,229,252,876 worth of merchandise; but during the last two fiscal years of the Dingley tariff act, ending June 30, 1905, we sold to foreign nations merchandise, the annual average of which was $1,489,694,468, an increase of $260,441,592, or over 21 per cent. This is the "broad and enlightened policy" to which President McKinley alluded, which for the year ending June 30, 1906, will probably reach $1,800,000,000, and, as before stated, $600,000,000 worth more will be sold to foreign nations under the Dingley tariff than we will buy of them. Is not this policy better than any other that we can adopt when we find our competitors, like Germany, going almost to the verge of a commercial war to force her surplus productions into new markets?

RECIPROCITY.

Mr. Corwine advocates "reciprocity treaties in harmony with the spirit of the times," but the reciprocity which he and Germany propose is the reciprocity on such competing articles as Germany can produce at a lower cost than we can. This was not the McKinley idea of reciprocity.

In effect it would be free trade, which McKinley opposed with all his force. As an illustration of the only kind of reciprocity that Americans should ever adopt, we should take free from Brazil her coffee, which we do not produce, in exchange for the free entrance into their market of American flour, which we do produce.

Any other sort of reciprocity in competitive products is tariff reduction. Tariff reduction is price reduction; price reduction is wage reduction. Germany desires reciprocity in woolen hosiery, because she can make it cheaper than we can, for she pays only one-third the wages that are paid in the same industry in the United States. Such reciprocity would mean lack of employment for those of our people now

employed in manufacturing underwear for approximately 85,000,000 people, and as fast as you throw out of employment the labor employed in such vast industries you precipitate business trouble, and when you multiply these troubles, as was done by the Wilson Act for tariff revision in 1894, you produce panic.

Mr. Corwine speaks of the failure of the Senate to ratify the reciprocity treaties with the Argentine Republic and with France. He failed to tell you that the Argentine treaty failed because it was so drawn as to be a serious menace to the very life of the wool industry of the United States. Reciprocity in wool would be a move toward free trade in wool, which was tried with such disastrous effects in Grover Cleveland's Administration. The French treaty was not ratified because it was found that with it we would have freer trade in hosiery, which would have ruined a very important American industry It is very well to propose reciprocal treaties, for the word reciprocal sounds soothing and attractive, but when you go into details and come to examine them you soon find you are against a proposition to cripple an important American industry. This is what President McKinley in his Buffalo speech especially warned us not to do.

DANGER IN TARIFF REVISION.

In three months after the Ways and Means Committee of the House of Representatives begins to revise the tariff on the lines recommended by Germany, through the secretary of the New York committee of the American Reciprocal Tariff League, symptoms of a financial panic would appear which might be a worse panic than any this nation has ever known. This is because prices, through the long period of abounding prosperity, have reached such heights that they would now have further to fall to the free-trade level than ever before.

Those who advocate reciprocity insist that we must invite importations if we wish to increase our exportations. The figures quoted above, showing the actual commerce of this nation, disprove this assertion.

They urge that if we place the tariff on some articles sufficiently low to insure a greater influx of foreign goods the doors of trade will automatically open to us and we will have an abundant outlet, but an examination of the records shows nothing to justify this claim.

Never in recent years has there been a period of low tariff that has not resulted in less importations, nor a period of high tariff that has not resulted in larger importations. This is because when our people are prosperous, as they are to-day under the Dingley tariff act, they buy everything in sight and send abroad for more.

When they are suffering from the effects of a tariff for revenue only, or from unwise reciprocity, they are unable to consume, and therefore import little.

Whenever the American people buy their woolens, and their iron and steel, and their articles of everyday consumption abroad, American producers of those articles are out of employment and our consuming capacity is reduced to a minimum.

For the four fiscal years of high protection in operation previous to the free-trade Wilson law we imported for consumption an average of $12.21 per capita. During the next four years of the revised Wilson tariff, giving credit for the great influx of goods in anticipation of the higher rate of the forthcoming Dingley Act, we imported only $10.81 per capita—a loss of over $1 per capita. During the last fiscal year of the present Dingley Act we imported for consumption merchandise valued at $13.44 per capita, and this year we have increased our importations of articles for consumption over last year. If this record continues throughout the year, giving credit for our increase in population, we will import for consumption material worth nearly $16 per capita.

Never in the history of the United States did our people consume so many dollars' worth of foreign goods, and never in the history of the world did any people ever consume so many dollars' worth of domestic goods as we are now consuming. Is it any wonder, then, that President Roosevelt and Speaker Cannon "stand pat?"

What wonder is it, then, that all sorts of insidious efforts are being made by representatives of foreign interests to build up organizations like the American Reciprocal Tariff League in order that foreigners may share with us what we are now enjoying under the Dingley tariff act?

Prospering as we did under the old McKinley Act, we imported in the fiscal year of 1892 $12.50 per capita and exported $16.51 per capita. Two years later, when the tariff had been revised on such lines as were recommended by the secretary of the committee of the American Reciprocal Tariff League, who has so recently addressed the Trades League, we imported $3 less per capita, exported $2.75 less per capita, and consumed 2½ bushels less wheat per capita than was consumed under the McKinley Act.

This comparison gives some illustration of how the nation prospers under what you would be led to believe was a system of Republican protection, which is so often denounced by free-traders as fraud and robbery.

The Secretary of the Treasury, Mr. Shaw, has just stated that the country is now being flooded with literature urging that we treat those best who treat us worst.

We are asked to reduce our tariff for the benefit of those countries which increase theirs, and let those who take our goods in greatest quantities pay the full rate. "The present tariff act," he says, "has given the American producer, artisan, and farmer such advantages in the American home market that we actually sell to each other more than twice as much as the aggregate international commerce of the whole world." Is there any reason here for upsetting this happy condition?

"The Dingley tariff act has made possible our marvelous development, until the finished products of our shops and factories equal those of any other three countries on the map, and our daily wage pay roll exceeds that of the balance of the globe."

SELLING AT LOWER PRICES ABROAD.

Speaking of the attack upon the tariff, the Secretary of the Treasury says: "It is based mainly on the fact that we sell some products in foreign markets at lower prices than we obtain for them at home." This seems to act like a red flag to a bull, and the American people seem not to understand that while our industries are so stimulated by the tariff at times, there must be moments of overproduction, and our surplus has then to be sold in foreign markets at whatever it will fetch there. This process of running full time, even at the risk of producing a surplus, cheapens products to the American consumer, for if our mills made only the goods that could be consumed at home the cost to the American consumers would be increased. For instance, a great American carpet mill when running full time will make more carpets than can be sold to the American people, but by doing so the cost of production is lessened, for the reason that fixed charges are the same when they run three-quarter time as when they run on full time. Assuming that by running three-quarter time they could make all the carpets they could sell in the United States, the cost per yard under these circumstances would be increased 5 cents, whereas by running full time the cost per yard is decreased 5 cents to the American consumer. The unsalable surplus portion is dumped on the London market and sold there at cost or less. This immediately set up a howl on the part of those Americans who are seeking an excuse to rip open the tariff, because we sell cheaper abroad than at home.

STEEL RAILS.

The Dingley tariff act has been denounced because of the report that steel rails produced in the United States are sometimes sold abroad at lower prices than in American markets. Therefore the absurd proposition is advanced that because of this fact the Dingley tariff act promotes trusts and should be immediately repealed.

E. H. Gary, chairman of the board of directors of the United States Steel Corporation, in his recent testimony before a Congressional committee which was investigating this subject stated that "the charge made against his corporation of having sold 100,000 tons of steel plate to Belfast shipbuilders at considerably less than the domestic price was not true. His corporation had sold no such amount of steel."

He stated that the facts were these: The corporation sold 3,000 tons of steel plate abroad in 1904, but none in 1903 nor in 1902.

He went on to show that the export price for rails made in and exported from Great Britain, a free-trade country, was $25 per ton, or nearly 21 per cent below their home price, which was $31.50.

On the other hand, in the United States the home price was $28, and the United States export price nearly $26, the export price being slightly under 8 per cent below the price charged home consumers, as against an export price of nearly 21 per cent less than the home price in free-trade England.

The home price in Germany and Belgium was $30, and their export price $24, or 20 per cent less than their home price. The home price in France and Austria-Hungary was $31, and their export price $25.50, or 18 per cent less than their home price.

What seems to affront those who want the tariff revised is the fact that the American export price, like that of the rest of the world, is also below the home price. To satisfy this class, who would rip open the tariff in order to lower domestic prices to the level of foreign prices, we would have to close American factories for a period until American wages could be reduced more closely to the European level. All must admit that American rails can not be exported without loss in competition with European rails when the latter are made by labor receiving fully one-half less than that paid to American labor.

In view of the established fact that nearly all of the benefits of the protection of the Dingley tariff act go to labor, how can the tariff be revised downward and our mills be kept running on full time at the scale of wages prevailing under the Dingley Act, and at the same time compete abroad with foreign rails, often receiving a Government bounty, as in Germany, the export price for which rails is nearly 21 per cent less than their home price?

Considering that Great Britain is a free-trade country and Germany has a very high protective tariff, and with an export bounty besides, and also considering the fact that in both of these countries the difference between the export price and the home price is greater than in the United States, will the Reciprocal Tariff League explain how revising the tariff downward will alter established world-wide conditions showing greater differences between home and export prices in foreign countries than in the United States?

The claims that the Dingley tariff act is responsible for charging a higher price to home than to foreign consumers, and that tariff revision downward is a remedy for a custom that is world-wide and practiced in both free-trade and protective foreign countries, are both ridiculous and false, and to persist in these claims is neither fair nor manly.

The effect of "tariff revision downward" would be to destroy American industries, injure American labor, and crush out American competition, which would end in a foreign monopoly of the home market.

COMPARISON OF PRICES.

Below is the schedule presented by Mr. Gary to a committee of the House of Representatives, comparing present "free on board" mill prices on iron and steel with home and export prices, in the principal countries producing these articles:

Comparison of present f. o. b. mill prices with domestic and export prices on iron and steel in the principal producing countries.

Country.	Rails.			Structural material, including shapes, plates, bars, angles, and tees.		
	Home price.	Export price.	Per centage of difference.	Home price.	Export price.	Per centageof difference.
Great Britain	$31.50	$25.00	20.97	$1.60	$1.35	15.60
Germany	30.00	24.00	20.00	1.50	1.25	16.66
France	31.00	25.50	18.00	1.65	1.45	12.00
Austria-Hungary	31.00	25.50	18.00	1.50	1.35	10.00
Belgium	30.00	24.00	20.00	1.55	$1.35 to 1.40	11.30
United States	28.00	$25.00 to 26.60	7.86	$1.60 to 1.70	1.40 to 1.50	12.12

NOTE.—The above is a copy in part from page 202, Hearings before the Committee on Merchant Marine and Fisheries, of the House of Representatives, on Senate bill 529.

But Secretary Shaw calls attention to the fact that Europe encourages the maintenance of two distinct schedules of prices—a higher one for their domestic or home consumption and a lower one for export. He says there is scarcely a manufactured article in all Europe that can not be purchased from 10 to 25 per cent cheaper for export to the United States than for domestic consumption in countries of production. He quotes, in confirmationof this, George Paish, editor of the London Statist, the greatest economic journal in Europe, who was Mr. Shaw's guest in this country.

Secretary Shaw introduced him to an audience that he was addressing, and Mr. Paish sat on the platform. In the course of the discussion Secretary Shaw made the assertion that every European govern-

ment except England encourages the sale of merchandise abroad at lower prices than at home. He added that he was not certain as to the attitude of England, and referred the question to Mr. Palsh, who promptly replied: "England does not encourage it, but the British people practice it." Americans alone of all the people in the world complain that goods are sometimes sold abroad cheaper than at home. Those who do the most harm in these attacks upon the tariff in unsettling business are Republicans, who profess to believe in the principles of protection, but who are led, through the influence of such men as Mr. Corwine, to denounce the successful application of protection. If the tariff were opened with the intention only of crossing a "t" or dotting an "i," it would be impossible for the managers to keep it from being distorted, so that till it was finished no one could tell what sort of tariff we would then have, nor would they know how much business would be disturbed until after the harm was done. Even then if a new tariff was made, as has always been the case, there would be a lot of people who would be angry about it, because the changes which were made some might think should not have been made, and others would have been angry because such changes were not made. Thus we are ever bound to have tariff agitation and demands for tariff revision that will act as disturbances to business, so that there is more safety in letting alone a law that is working so much better than any we have ever before had than in trying doubtful experiments. To-day the most active of the small handful of disturbers, like Governors Cummins, of Iowa, and Guild, of Massachusetts, who are asking for tariff revision, as a reason for this, point to a few rates in the Dingley Act as excessive, while the average of all the goods that are dutiable under this act is only in the neighborhood of 45 per cent.

A SAMPLE OF THE NEW GERMAN TARIFF.

Secretary Shaw calls attention to the moderation of the Dingley Act in comparison with the new German tariff, where the rates were advanced 50 per cent in her minimum tariff and 210 per cent in her maximum tariff. On some articles she increased her minimum tariff 67 per cent, her maximum tariff being increased 210 per cent. She increased her minimum tariff on wheat flour 40 per cent and her maximum tariff on this 157 per cent. She increased her minimum tariff on fresh beef 80 per cent and her maximum tariff on this article 200 per cent. She increased her minimum tariff on salted and pickled beef 100 per cent and her maximum tariff 250 per cent. She increased her minimum tariff on high-grade boots and shoes 38 per cent and on these articles she increased her maximum tariff 177 per cent. She increased her minimum tariff on bicycles and parts thereof 300 per cent and her maximum tariff on these articles 525 per cent. Germany also took a large number of articles from her free list and imposed minimum and maximum duties thereon. Yet we find plausible free-trade agents asking us to reduce our tariff for the benefit of this same Germany, requiring at the same time full rates on her imports from such countries as receive our goods free. Will the trades league allow its eyes to be closed by any bunco game as shallow as this?

THE DINGLEY ACT A REVENUE PRODUCER.

Tariff revision downward and reciprocity caused such a deficit in the revenue during Grover Cleveland's Administration that we were obliged to sell $262,000,000 of bonds to defray the current necessary expenses of the Government.

Duties had been cut down low in order to invite heavier importations, or, in other words, reciprocity was put into practice on competitive products, and while there was enough brought in under the Wilson Act to paralyze our domestic industries and throw millions of men employed therein out of work, there was not enough imported to furnish sufficient revenue, and a deficit had to be met by the sale of bonds. This created distrust, and there was a financial panic every year during the existence of that tariff act. There has been none since the Dingley Act was enacted in its place. Is this any reason for its repeal?

Contrast the Wilson Act conditions with the situation at present. The Dingley act is proving to be the best revenue producer ever in force. Our increased expenditures are met by increased customs duties and increased internal revenues as well. The year before last it was the Panama Canal payments that depleted the Treasury, and last year the Cuban treaty and a great increase in the appropriation for rural free delivery, but now the revenue exceeds our expenditures, and at the end of the fiscal year of 1906 there will be a surplus, notwithstanding enormously increased expenditures.

Our imports coming over the top of our so-called high tariff Chinese wall are enormous, because of the prosperity of the people, who, owing to the present tariff, are enjoying full employment at high wages. It would be folly, therefore, to listen to the advice of Mr. Corwine, favoring immediate tariff revision and reciprocity of the German brand, when the present law continues to bring such beneficial results, both to the Treasury of the United States and the American people, and the trades league should be wary of how its funds are contributed to circulate such pamphlets as that which contains his address.

UNDERVALUATION IS FRAUD.

Examine for a moment the attitude of Germany toward the United States and consider whether the solicitude for Germany on the part of the American Reciprocal Tariff League is warranted. Taking such high authority as that of Secretary Shaw, in his statement before the House Committee on Ways and Means in opposition to the importers' plea for opening hearings in cases of alleged undervaluation. Secretary Shaw quoted liberally from an address recently delivered before the German Chamber of Commerce at Berlin, by the chairman of the meeting, who is one of the largest and most reputable merchants in the whole of Germany, and a record of it was sent to all the chambers of commerce of the realm. In that speech, addressed to a body of representatives from every important manufacturing center in Germany, there were disclosed a plan and policy of undervaluation for exports to the United States of the most deliberate and systematic character. Plainly and without equivocation, it set forth that a proposition to undervalue German exports into the United States was not considered fraudulent in Germany. The following statements are from the speech of the chairman:

"As a fact, the United States is not dependent for its existence on the collection of duties, and it can afford to allow the falling off of revenue 'on German goods' for their general good.

"It is clear that the purpose of the American tariff is to make the entry of competing articles into the United States as difficult as possible. To carry this out the United States Government agents resort to the meanest and smallest measures.

"The first of these is the certification of the correctness of invoices by American consular officers stationed in various districts of the Empire.

"Investigation by the United States customs officers as to the correctness of these same invoices, which have in America the force and effect that an oath would have in the German Empire.

"A reexamination by agents of the Treasury Department in cases where there is reason to suspect undervaluations.

"By the high qualities added for undervaluation.

"We admit that an actual swindle is incorrect in any business transaction, but undervaluations of German goods for the purpose of entry into American ports should not be treated as such unless fraud is positively proved. American customs officials treat undervaluations as fraudulent and apply the penalties.

"Our goods have been exported to the United States and to England as well, we all admit, at lower prices than those in the home market in Germany, and there have been in some cases low values made that in the United States would be termed fraudulent.

"Information gained under the Dingley tariff regulations concerning the cost of production has been thwarted through the prudence of our German officials, who have taken care that investigations of this character shall throw little light on the actual value of their consignments to the United States.

"In many cases trouble has been avoided by having invoices consulated remote from districts in which the goods are manufactured. But we must follow up this whole question as to the rights of consular or other American officers to pry into our business for the sole purpose of keeping our merchandise out of the United States. In this we are assured of the cordial support of the Imperial Government. If we stand together firmly as a body, aided and supported by our German boards of trade we can bring about a change that will be of untold benefit to our American export trade."

"Now, mark you," says Secretary Shaw, "from this German standpoint it is not a fraud to undervalue, but from the standpoint of the Dingley tariff act it is a fraud to undervalue. Market value, as defined under American law, is the wholesale price at the time of export. The trouble with the United States Treasury Department lies in the fact of Germany having two sets of prices—a lower one for export and a higher one for home trade."

Mr. Corwine has pointed to the fact that branch factories in Canada have been erected by American manufacturers, which shows in his view that the United States tariff ought to be revised. Just what effect the revision of the tariff would have on these factories is not apparent. It is the Canadian tariff that needs to be revised to effect any change in this policy. It is not the Dingley tariff act that has moved the factories to Canada, but, on the other hand, the Canadian tariff, which is a copy of our own. The Dingley tariff act has worked so admirably for the United States that Canada has copied it for Canada. Does Mr. Corwine think it possible that Canada would cut down her tariff for the purpose of getting these factories to move back to the United States? When the McKinley tariff went into effect, a number of factories were erected in this country by Englishmen, who found they could better afford to supply the demands of the American people for certain lines of goods by making them here rather than to make them in England and pay the McKinley tariff duties upon them to get them into this country. The McKinley tariff was enacted for the purpose of bringing about this condition of affairs. In the same way the Canadians have passed a tariff bill that is intended to increase Canadian manufactures. Instead of trying to get them to repeal their tariff in favor of the United States, it would seem to be a wiser thing to endeavor to so adjust the tariff of the United States as to compel the manufacturing of goods in the great home market in this country by increasing the tariff where necessary, as Germany is doing, as is illustrated by her increase of 300 per cent in the minimum and her increase of 525 per cent in the maximum duties upon bicycles and parts.

Without opportunity to fully examine the views which Mr. Corwine so adroitly expounds and to determine their fallacy, many of the members of the Trades League might believe it impossible to escape his conclusion that tariff revision is a burning question to be pushed in this year's Congressional campaign.

The Trades League should advocate commercial stability and tranquility, and not encourage experiments in line with those that have been tried and which resulted in disaster—disaster which so often by public men has been said cost the American people more than the whole cost of the civil war.

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